



## NEWS SUMMARY

**RAL**  
Council  
ns  
hool  
tle

**BUSINESS**  
Equities  
fall 7.7;  
gilts  
retreat

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

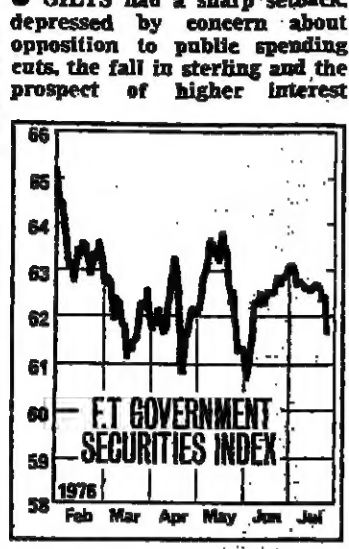
Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.

Conservative-controlled council, Greater Manchester, won its legal case against the Education Secretary's directive to introduce comprehensive education.



FT GOVERNMENT SECURITIES INDEX

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

Short-term stocks fell as much as 1; long-term up to 1. FT Government Securities Index fell 0.53 to 61.68, its highest drop in a single day since June 2.

## Union leaders help stop Left's bid to alter social pact

BY RICHARD EVANS, LOBBY EDITOR

A Left-wing attempt to introduce substantial alterations to the next stage of the social contract was successfully beaten off yesterday by Mr. James Callaghan and Mr. Denis Healey because of solid support by union leaders.

The confrontation came at a meeting of the TUC/Labour Party Liaison Committee which left senior Ministers relieved at the ease with which the Left has been rebuffed and the critics demoralised ahead of tomorrow's meeting of Labour's national executive committee when the Government's spending cuts will come under attack.

The social contract draft between the Government and the TUC, covering the next three years, has been approved by the TUC and the Liaison Committee but major alterations were demanded by the national executive committee at a depleted meeting last month when the Left was in a majority.

In two hours of sharp argument at Transport House the rebels were routed after union leaders had backed the Prime Minister and the Chancellor all along the line. All they succeeded in gaining was a minor amendment to the draft which had the agreement of a magnanimous Mr. Healey.

In the original document it was argued that the return to full employment would reduce the need for borrowing by the Government but Mr. Healey had insisted on inserting the phrase "but not enough." This has been removed.

All the major amendments demanded, involving more

### Unemployment

The Left-wing attack came from Mr. Ian Mikardo, Mrs. Barbara Castle and Mrs. Judith Hart who are expected to be present at the executive committee, but the signs last night were that they will not receive much union support for their attack on the proposed £1bn. cuts in public expenditure in 1977-78.

The critical motion denouncing the cuts, tabled by Mr. Eric Heffer for tomorrow's meeting, claims that they can "only

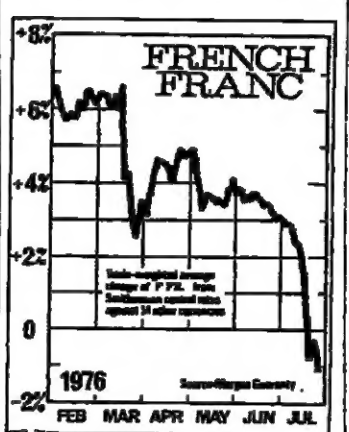
## Bank rate rise fails to check franc fall

By Peter Riddell, Economics Correspondent

THE FRENCH franc continued to fall yesterday despite the 9.5 per cent rise in the Bank of France discount rate last week.

Dealers said there was fairly heavy selling in the morning with no indication of any significant intervention from the Bank of France. The franc closed at Frs4.9420 to the dollar, slightly better than its worst. It closed at Frs4.9270 on Friday.

The trade-weighted depreciation has widened 1.35 points to 1.12 per cent in the last week after a movement of 0.28 points yesterday. The franc has fallen 5 per cent in the last three



FRENCH FRANC

weeks and by nearly a tenth since it left the EEC snake in end-March.

Yesterday the main French banks announced a rise in their base lending rate to top quality customers from 8.8 to 9.2 per cent.

The pound drifted yesterday for the third successive trading day, closing 30 points down at \$1.7790 after a low of \$1.7760.

The authorities appear to have intervened to steady the rate on a couple of occasions during the day, in both the spot and forward markets. Support was probably not large.

Dealers said the market was not particularly active, and the drop in the rate reflected persistent small selling before some demand appeared from New York towards the close.

Sentiment was said to have been affected by fears about Left-wing opposition to the public spending cuts and critical Press reports.

There has been speculation about the attitude of the International Monetary Fund. While as usual it has no official comment to make, there are suggestions that a public sector borrowing requirement of £8bn. for 1977-78, as projected by the Chancellor, is in the range it would like to see. The measures have also been given a qualified welcome by U.S. officials.

One option would be to dock from next year's grant the income local authorities raised this year to finance their overspending. Another would be to reduce next year's grant even further, so as to mop up local councils' cash balances.

The choice

It is also being suggested that the Government should choose to adjust this year's grant by less than the amount which would normally be paid to councils in November to allow for inflation.

Each of these measures would be designed to force councils to choose between cutting back their spending or levying exceptionally large increases in their rate calls next year.

Editorial Comment, Page 14

## New analysis of local overspending expected

BY COLIN JONES

YET ANOTHER analysis of the reasons for the projected overspending by local councils this year is likely to be agreed today by Mr. Peter Shore, Environment Secretary, when he meets local authority leaders at the Consultative Council on Local Government Finance.

Returns sent in by local councils show that they have failed to cut their budgets by anything like enough to keep within the "standstill" agreed with Ministers last November.

But the local authority associations are claiming that part of the projected overspending reflects Government policy on matters such as police recruitment, education, concessionary fares and council house rents.



Mr. Peter Shore meets council leaders today

One of the reasons why local authorities have failed to live within the "standstill" agreement for 1976-77 is a general refusal to countenance redundancies among local authority staffs.

However, this prospect, and the opposition of the public sector unions like NALGO, NUT, and the National Union of Teachers, will still have to be faced if the Government's public expenditure targets for 1977-78 and subsequent years are to be met.

### Projections

Mr. Shore is willing to reflect on these arguments before announcing the measures the Government proposes to take.

But there is no question of Ministers being willing to overlook the fact that councils are exceeding the agreed guidelines. Reports that Mr. Shore will agree to a "cover up" were vehemently denied yesterday.

The latest projections show that local spending on goods and services this year is likely to overshoot by about £200m, to £280m, at November 1976, prices, or by about 24.3 per cent. This compares with an earlier forecast of an over-run of about £250m, to £450m.

VAUXHALL MOTORS' cost-cutting and new model programme has paid off in the past six months to give the company pre-tax profits of £1.9m—the first the General Motors subsidiary has declared since early 1973.

The Luton-based company appears to be set fair to reverse the slide which has seen it make losses in six out of the last seven years, a trend which culminated in deficits of £17.5m. in 1974 and £18m. last year.

Despite a warning from Mr. Bob Price, Vauxhall's chairman, that results could be affected by holiday closures in the second half of the year, the money the company has made in the first six months is about £100,000 more than the total achieved in the one profit-earning year—1971—since 1968.

The profit compares with a loss of £7.5m. in the first six months of 1975. Turnover was £235m. (£178m.).

One significant factor in Vauxhall's rise in sales which has overtaken the car industry this year, and which helped British Ley-

land declare a pre-tax profit of £14.2m. for its first half year.

But Vauxhall has also been helped by a steady attempt to reduce its inventories and bring down financing costs. Interest charges were reduced by about one-third in the first half of this year from £5.2m. in 1975 to £3.1m.

At the same time the company is carrying out a tighter manning policy following a voluntary redundancy programme last year which brought employment down from 34,000 to 27,000.

The most dramatic improvement in Vauxhall's fortunes has come on the car side, where the introduction of the Chevette and Cavalier have re-invigorated an ageing product line and pushed sales up by 28 per cent. (from £8,300 cars to £18,000) in the U.K. and by 40 per cent. (from 9,700 to 13,700) in export markets.

Vauxhall has indicated that it is aiming to produce about 120,000 cars in the U.K. this year against 100,000 in 1975—the Cavalier, made in Belgium, being additional to this total.

In commercial vehicles, the

company's fortunes have been more mixed. Bedford, the Vauxhall subsidiary, suffered a decline in registrations in the U.K. from 21,900 vehicles to 19,400 in the first six months, the fall being due to a weak performance by the company's car-derived vehicles and light vans.

In the heavy trucks sector of 31 ton and over, however, Bedford alone among the British manufacturers increased its sales compared with last year. This part of the market, which is by far the most important in financial terms, has declined by 9 per cent. overall this year, but Bedford has improved its position largely because of the introduction of its new TM range of heavy trucks.

Bedford's export sales also continued to rise steadily.

£ in New York

	July 26	Previous
Spot	\$1.780-780	\$1.780-780
1 month	1.780-780	1.780-780
3 months	1.780-780	1.780-780
12 months	1.780-780	1.780-780

## Scots MPs put Labour in minority

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT became a minority administration again yesterday as two breakaway Labour MPs announced that they were resigning the Whip over cuts in public expenditure announced last week by Mr. Denis Healey, Chancellor.

Mr. Jim Sillars, MP for South Ayrshire, and Mr. John Robertson, MP for Paisley, who left the party last year over dissatisfactions with the Government's devolution proposals to form their own Scottish Labour Party, said in Glasgow yesterday that the Government's "Tory" policies did not deserve the support of Socialists.

Their letter ending the arrangement with the Labour Party was delivered to the Chief Whip yesterday afternoon.

The main effect of their action eventually will be felt in committees, which are vital to the Government's legislative programme. Mr. Robertson said: "The Opposition will be raising with the Speaker the matter of confidence. The Government no longer have a majority, therefore they have no right to a majority in committees."

However, changes are not likely before committees are set up again at the start of the next Parliamentary session in the autumn.

On many major issues of policy, however, such as the Dock Work Regulation Bill and the Bill to nationalise the shipbuilding and aircraft industries, the two MPs will continue to vote with the Government. But they will join Opposition parties on any issue of confidence they will join Opposition parties.

Mr. Sillars said that if, for example, the Conservatives used their supply day next Monday to force a division on the Government's unemployment record or they expect to scrape home.

Richard Evans, Lobby Editor, writes: Scottish National Party MPs last night decided unanimously to oppose the third reading of the Aircraft and Shipbuilding Industries Bill in the Commons on Thursday, following their rejection of Government amendment.

Their decision will make the Third Reading vote a close one, but the Government Whips expect the two dissident Scottish Labour MPs, Mr. James Sillars and Mr. John Robertson, to vote for the measure, and they expect to scrape home.

FEATURES	
Anglo-Irish Relations after the murder	14
Society to-day: The disabled	15
Western newspapers in East Europe	4
Ecuador's Oil	5
The Christians in Lebanon	6
Forming British Airways Regional Division	13
FT REPORT	
Scottish Widows HQ	20 & 21

ON OTHER PAGES	
Assessments	2
Management	13
Men and Matters	14
Business Opinions	15
Company News	16-18
Crusade	19
Entertainment Guide	20
Parliament	21
Farming and Raw Materials	22
Foreign Exchanges	23
FT-Academics Indices	24
Share Information	25 & 27
Home News	26
Ind. Company News	27
Labour News	28
Today's Events	29
TV and Radio	30
Unit Trusts	31
Wall St. & Overseas	32
Weather	33
World Trade News	34
World Value of the £	35
ANNUAL STATEMENTS	
British Air. Auth.	25
Cardo Eng. Grs.	17
Gen. Eng. (Rt'ns)	17
Lda. & Ova. Frigates	18
Maritime Invest.	26
S. Parishes	19
Trusts Con.	28
Vishala	4
INTERIM STATEMENTS	
Penland Int. Tel.	14
Unilever Corp. Grp.	17
Bank Lending Rates	26

For latest Share Index phone 01-246 6036

## A French Firm with British understanding

We are a French firm with French connections but we understand the needs of British Companies especially in Lettings, Investments, Management and Valuations

It's all part of the Knight Frank & Rutley service.

**Knight Frank & Rutley France**  
16 Place Vendôme, 75001 Paris  
Telephone: 260 6906 Telex: 220753  
Amsterdam Brussels Edinburgh Faro Geneva Kano Lagos London Tehran



PRICE CHANGES YESTERDAY	
(pence unless otherwise indicated)	
RISES	
100	122 + 12
100	231 + 2
100	180 + 10
100	33 + 4
100	145 + 11
100	511 + 4
100	164 + 4
100	140 + 17
100	214 + 6
100	363 + 13
100	103 + 7
FALLS	
100	591 - 1
100	25 - 14
100	75 - 4
100	366 - 8
100	118 - 5
100	240 - 7
RALLIES	
100	112 - 5
100	225 - 5
100	173 - 9
100	150 - 12
100	320 - 12
100	303 - 6
100	351 - 7
100	365 - 10
100	181 - 5
100	110 - 13
100	233 - 13
100	158 - 4
100	88 - 4
100	117 - 8
100	318 - 6
100	89 - 4
100	587 - 8
100	149 - 17
100	175 - 8
100	255 - 7
100	214 - 1
100	35 - 1
100	249 - 5



LOMBARD

# How to control our Governments

BY SAMUEL BRITTON

THERE WAS a time when I would have been a member of the EEC. The first time I demonstrated in the streets against the Dutch proposal now being discussed by the EEC Ministers for closer co-ordination of policies to limit exchange rate movements. The thought that expansionist demand policies should be held back to defend a pattern of exchange rates, not a series of policy adjustments, was a novel one. The case for co-ordinated budgetary and monetary targets is of a rather different kind. Once exchange rates do vary, it is not as important for countries to have exactly the same inflation rate as some European enthusiasts suppose. Exchange rate variation can cope with very considerable differences in inflation rates. A narrowing of discrepancies between currencies which are still distinctly different, and not mutually interchangeable, is a practical reaction to the fact of business to high, variable and unpredictable rates of inflation do tend in that direction.

## Exchange rates

Supposing concerted pressure had been applied in 1967 to discourage the U.K. from devaluing and to pursue monetary policies consistent with the EEC exchange rate, would the British economy have been in a worse state? It is extraordinarily difficult to say. We would have been worse off without devaluation than with a combination of devaluation and sensible internal policies, which were forced on Britain by a combination of the IMF and the president-elect of the EEC Commission, Mr. Roy Jenkins, if they had been continued. On the other hand, continuation of the £80 rate would have made the health boom and the subsequent inflationary slump less likely. What is almost certain is that if the exchange rate had been really rigid, say in 1980, and Governments had known that devaluation was not an option, we would have had much less "stop".

The actual Netherlands proposal falls into two sections: a limitation by non-speak countries of the margin of the exchange rate fluctuations, and overall medium term budgetary and monetary targets which member Governments should aim to observe. The trouble with the first suggestion is that it misconceives the nature of the problems of the weaker currencies. The latter have suffered not from excess fluctuations but from an underlying downward

trend. Unless the underlying monetary policies behind this trend are corrected, currencies like sterling and the lira—and occasionally the franc—would periodically get stuck against the outer margins in an atmosphere of crisis, followed by devaluation. The case that is to be made is for genuinely rigid exchange rates, not a series of policy adjustments.

The case for co-ordinated budgetary and monetary targets is of a rather different kind. Once exchange rates do vary, it is not as important for countries to have exactly the same inflation rate as some European enthusiasts suppose. Exchange rate variation can cope with very considerable differences in inflation rates. A narrowing of discrepancies between currencies which are still distinctly different, and not mutually interchangeable, is a practical reaction to the fact of business to high, variable and unpredictable rates of inflation do tend in that direction.

## Group of Ten

It is debatable whether the EEC is the best form for this kind of mutual surveillance. Major credit operations for large EEC members in distress are usually handled on a wider basis of Ten. It is a little of the Ten in the present instance to suppose that it is more important for the British Government to satisfy Belgium, the Netherlands and Denmark, than it is to satisfy the U.S. But this is not all. Group of Ten meetings are mainly concerned with the stability of the world economy and the preservation of a market system in the West. The EEC has a slightly different objective; and while 90 per cent of the time they may overlap, 10 per cent of the time they will not. On balance, however, anything which limits the autonomy of British Governments is to be welcomed; and if the EEC go ahead with the co-ordination of the major objectives, it will be difficult for the British Government to stand aside.

## RACING

# Import shows promising form

BY DOMINIC WIGAN

IF IMPORT can reproduce the form that so nearly enabled him to hold Europe's leading sprinters in the July Cup at Newmarket three weeks ago, he should make a very good day's handicap for the Spillers Stewards' Cup on the opening day of "Glorious Goodwood".

Bill Wightman's remarkable sprinter who, at best, had been improving on more than five furlongs with each of his races before Newmarket, ran at least 12 lbs above his previous handicap mark in the July Cup.

Always in the front rank in that tremendously competitive event which attracted some of the best sprinters from England, France and Ireland, import gave way to Europe's champion sprinter, Lochanagar, winner of the Duke of York Stakes, winner, Three Legs, only in the final 100 yards.

In the belief that there was no fluke about that run in the July Cup, I well drawn at 13, to follow up his victory of a year ago in this event.

The heavily backed Stand to sporting meeting last year who

**GOODWOOD**  
2.00—Fools Mate  
2.30—Brightstone  
3.10—Import  
3.45—Smuggler  
4.15—Lord Helpus  
4.45—Captains Mate

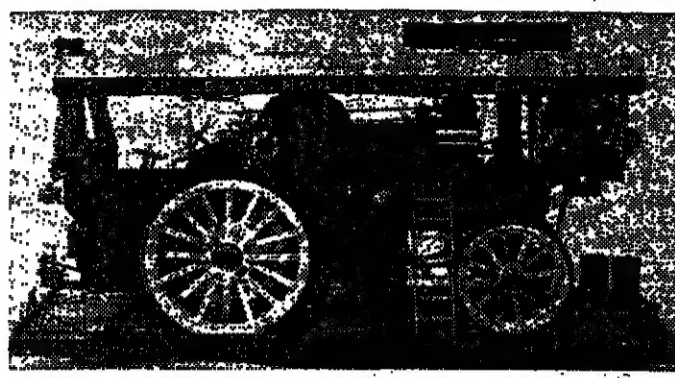
In each of his four races this term and he will be ideally suited by this return to six furlongs, which is almost certainly his optimum trip. If there is to be a shock I expect Ribamble to be the cause. Luca Cuman's Newmarket challenger, a winner over the mini-bumpers here last season, is well in the weight with Max's Trail judged on their recent running in the Home Ales Gold Tankard at Nottingham.

Another winner at the corresponding meeting last year who

## SALEROOM

BY ANTONY THORNCROFT

# Models excel at seaside



This working model of the Showmans Road locomotive by W. Appleby of Westcliff-on-Sea, sold for £2,600 at Christie's

AS THE major London sale rooms enter their final full week of the season, something of a full naturally descends. Christie's, in fact, moved to the seaside, holding its most important sale, of historic steam engines, ship, car and aeroplane models, at the Brighton Aquarium.

The Enginium, formerly the Old Goldstone Pumping Station, has been acquired by Jonathan Minns, Christie's consultant on models, and this was the first auction held there.

It attracted an international audience, 30 per cent of whom were private collectors, and the sale totalled £53,084, with virtually every lot selling, some for good prices.

The highest was the £8,500, over double the forecast, paid by Fox from Houston, Texas, for a 1914-15 model of a 44-gauge freight.

A working model of a Merryweather steam fire engine, built by Tyrer of Hastings, went for £3,200, rather below forecast, and a working model of the Showmans' road locomotive, by Appleby of Westcliff-on-Sea, was also under target at £2,600.

Nine original pencil drawings about the developing jet engine, designed and sketched by Sir Frank Whittle in 1933, unfortunately left the country, selling to the Deutsches Museum in Munich for £2,600.

Back in London Christie's

held auctions of Studio Pottery ceramics, which totalled £22,673, and Oriental Ceramics, which made £52,394. In both sales all the important lots sold.

Best prices among the ceramics were the £2,800 from the London dealer Lineham for a pair of Severn pattern, armchair mounted, two-handle vases, and covers (within estimate).

The same price was paid by a German dealer, Surmann, for a Meissen dinner service, while a wall panel of 64 tiles by William de Morgan, made for the Earl of Russell but never delivered, was sold by P.E.N. for £1,000.

Phillips sold the collection of Victorian paintings and water-

colours formed in the late 19th century by the London interior decorator Walter Crook. This was a good representation of late Victorian taste which has lately come back into fashion and prices were on target.

An Archibald Thorburn painting of peacocks in a wood sold for £2,500 to Marshall, while a view of Liverpool at Night by Adolphus Gurnsey made £2,500 (Rayner). The sale totalled £33,380.

Sotheby's sales reflected the end of the season—printed books making £13,336, and silhouettes and miniatures £20,696, with the best price of £880 for a miniature by Henry Bone, painted in 1806.

## WINE

# Pleasant rarities from the Aosta valley

BY EDMUND PENNING-ROWSELL

SINCE the opening some ten years or so ago of the Grand St. Bernard and Mont Blanc road tunnels, many visitors to Italy have been entering the country via the once rather isolated Aosta Valley, and on the very steep mountainsides of this lovely but narrow valley they will have seen the first Italian vines, on narrow terraces rising sharply high up on south-facing slopes. If, instead of hastening down the autostrada to Turin, they stop in or around the pleasant little city of Aosta—

to call it a town might seem slightly pejorative as this is the capital of Italy's smallest region—they should seek the chance of tasting the little-known wines of the valley. To do this, however, we must resist those local wine waiters who believe that for foreign visitors the only acceptable Italian wines come from further east or south.

In fact vine-growing on a commercial scale might well have died out altogether in the valley, but for the establishment in 1946 of a regional government with local autonomy and a keen interest in preserving the industry and agriculture on which, together now with tourism, the 100,000 inhabitants of the main valley and its branches have to live. For previously Aosta viticulture had been in decline for the better part of a century. The coming of the rail-

way in the 1860s brought in cheap wine from the south, then the plague of old vines followed by phylloxera then, perhaps, the most serious blow, was the loss of the valley to the French-speaking region of Savoy, and the then existing vineyards, and stream from the capital on the river Dora Balise. However, this area of 4,000 ha, was reduced to one of a few hundreds. Since the last war, however, it has been growing again, and today Po there is Carema, named after accounts for about 1,000 ha, and a village, which administratively is part of Piedmont, but whose vines are grown on similar narrow mountain terraces to those further up the valley, and the style of whose wine is distinctly Aosta.

All three wines are red, and in addition there is another very acceptable one, Petit Rouge, which is not a DOC wine but is none the worse for that. It is named after a local grape variety, otherwise known as Petit Orrou.

Moreover from the top end of the valley, not far from Mont Blanc and Courmayeur, a small original reason for this immigration of white wine is made, named Blanc de Morgex, which claims to be from the highest vineyards in Europe. For the vines are situated at about 4,000 feet above sea level, though the Swiss in the adjoining Valais, are keen to preserve as one aspect of their local history the Italian height record.

The school has experimental vineyards totalling 5 ha, and snow-topped mountains.

## Priestly staff

Perhaps the most influential element in this revival was the establishment in 1959 of a viticultural school and experimental research station in the valley, the Institut Agronomique, usually, it has been staffed by priests, several of them Swiss and from the other side of the Grand St. Bernard Pass.

The original reason for this immigration of white wine is made, named Blanc de Morgex, which claims to be from the highest vineyards in Europe. For the vines are situated at about 4,000 feet above sea level, though the Swiss in the adjoining Valais, are keen to preserve as one aspect of their local history the Italian height record.

The school has experimental vineyards totalling 5 ha, and snow-topped mountains.

The school has experimental vineyards totalling 5 ha, and snow-topped mountains.

## Notice of Redemption

# Borg-Warner Overseas Capital Corporation

8% Guaranteed Debentures due 1979

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1969, under which the above-described Debentures were issued, \$1,000,000 principal amount of such Debentures of the following distinctive numbers has been drawn by lot for redemption on September 1, 1976 (hereinafter referred to as the redemption date):

\$1,000 Coupon Debentures Bearing the Prefix Letter K

10	1773	3089	3723	497	5528	6032	6782	7748	8394	9423	10790	11848	12487	13164	13771	14377
17	1785	2813	3783	487	5535	6038	6787	7754	8399	9428	10795	11853	12492	13169	13776	14382
24	1797	2825	3795	499	5547	6050	6799	7766	8411	9440	10807	11865	12504	13181	13788	14394
31	1809	2837	3807	511	5559	6062	6811	7778	8423	9452	10819	11877	12516	13193	13800	14406
38	1821	2849	3819	523	5571	6074	6823	7790	8435	9464	10831	11889	12528	13205	13812	14418
45	1833	2861	3831	535	5583	6086	6835	7802	8447	9476	10843	11901	12540	13217	13824	14430
52	1845	2873	3843	547	5595	6098	6847	7814	8459	9488	10855	11913	12552	13229	13836	14442
59	1857	2885	3855	559	5607	6110	6859	7826	8471	9500	10867	11925	12564	13241	13848	14454
66	1869	2897	3867	571	5619	6122	6871	7838	8483	9512	10879	11937	12576	13253	13860	14466
73	1881	2909	3879	583	5631	6134	6883	7850	8495	9524	10891	11949	12588	13265	13872	14478
80	1893	2921	3891	595	5643	6146	6895	7862	8507	9536	10903	11961	12600	13277	13884	14490
87	1905	2933	3903	607	5655	6158	6907	7874	8519	9548	10915	11973	12612	13289	13896	14502
94	1917	2945	3915	619	5667	6170	6919	7886	8531	9560	10927	11985	12624	13301	13908	14514
101	1929	2957	3927	631	5679	6182	6931	7898	8543	9572	10939	11997	12636	13313	13920	14526
108	1941	2969	3939	643	5691	6194	6943	7910	8555	9584	10951	12009	12648	13325	13932	14538
115	1953	2981	3951	655	5703	6206	6955	7922	8567	9596	10963	12021	12660	13337	13944	14550
122	1965	2993	3963	667	5715	6218	6967	7934	8579	9608	10975	12033	12672	13349	13956	14562
129	1977	3005	3975	679	5727	6230	6979	7946	8591	9620	10987	12045	12684	13361	13968	14574
136	1989	3017	3987	691	5739	6242	6991	7958	8603	9632	10999	12057	12696	13373	13980	14586
143	2001	3029	3999	703	5751	6254	7003	7970	8615	9644	11011	12069	12708	13385	14000	14598
150	2013	3041	4011	715	5763	6266	7015	7982	8627	9656	11023	12081	12720	13397	14012	14610
157	2025	3053	4023	727	5775	6278	7027	7994	8639	9668	11035	12093	12732	13409	14024	14622
164	2037	3065	4035	739	5787	6290	7039	8006	8651	9680	11047	12105	12744	13421	14036	14634
171	2049	3077	4047	751	5799	6302	7051	8018	8663	9692	11059	12117	12756	13433	14048	14646
178	2061	3089	4059	763	5811	6314	7063	8030	8675	9704	11071	12129	12768	13445	14060	14658
185	2073	3101	4071	775	5823	6326	7075	8042	8687	9716	11083	12141	12780	13457	14072	14670
192	2085	3113	4083	787	5835	6338	7087	8054	8699	9728	11095	12153	12792	13469	14084	14682
199	2097	3125	4095	799	5847	6350	7099	8066	8711	9740	11107	12165	12804	13481	14096	14694
206	2109	3137	4107	811	5859	6362	7111	8078	8723	9752	11119	12177	12816	13493	14108	14706
213	2121	3149	4119	823	5871	6374	7123	8090	8735	9764	11131	12189	12828	13505	14120	14718
220	2133	3161	4131	835	5883	6386	7135	8102	8747	9776	11143	12201	12840	13517	14132	14730
227	2145	3173	4143	847	5895	6398	7147	8114	8759	9788	11155	12213	12852	13529	14144	14742
234	2157	3185	4155	859	5907	6410	7159	8126	8771	9800	11167	12225	12864	13541	14156	14754
241	2169	3197	4167	871	5919	6422	7171	8138	8783	9812	11179	12237	12876	13553	14168	14766
248	2181	3209	4179	883	5931	6434	7183	8150	8795	9824	11191	12249	12888	13565	14180	14778
255	2193	3221	4191	895	5943	6446	7195	8162	8807	9836	11203	12261	12900	13577	14192	14790
262	2205	3233	4203	907	5955	6458	7207	8174	8819	9848	11215	12273	12912	13589	14204	14802
269	2217	3245	4215	919	5967	6470	7219	8186	8831	9860	11227	12285	12924	13601	14216	14814
276	2229	3257	4227	931	5979	6482	7231	8198	8843	9872	11239	12297	12936	13613	14228	14826
283	2241	3269	4239	943	5991	6494	7243	8210	8855	9884	11251	12309	12948	13625	14240	14838
290	2253	3281	4251	955	6003	6506	7255	8222	8867	9896	11263	12321	12960	13637	14252	14850
297	2265	3293	4263	967	6015	6518	7267	8234	8879	9908	11275	12333	12972	13649	14264	14862
304	2277	3305	4275	979	6027	6530	7279	8246	8891	9920	11287	12345	12984	13661	14276	14874
311	2289	3317	4287	991	6039	6542	7291	8258	8903	9932	11299	12357	12996	13673	14288	14886
318	2301	3329	4299	1003	6051	6554	7303	8270	8915	9944	11311	12369	13008	13685	14300	14898
325	2313	3341	4311	1015	6063	6566	7315	8282	8927	9956	11323	12381	13020	13697	14312	14910
332	2325	3353	4323	1027	6075	6578	7327	8294	8939	9968	11335	12393	13032	13709	14324	14922
339	2337	3365	4335	1039	6087	6590	7339	8306	8951	9980	11347	12405	13044	13721	14336	14934
346	2349	3377	4347	1051	6099	6602	7351	8318	8963	9992	11359	12417	13056	13733	14348	14946
353	2361	3389	4359	1063	6111	6614	7363	8330	8975	10004	11371	12429	13068	13745	14360	14958
360	2373	3401	4371	1075	6123	6626	7375	8342	8987	10016	11383	12441	13080	13757	14372	14970
367	2385	3413	4383	1087	6135	6638	7387	8354	8999	10028	11395	12453	13092	13769	14384	14982
374	2397	3425	4395	1099	6147	6650	7399	8366	9011	10040	11407	12465	13104	13781	14396	14994
381	2409	3437	4407	1111	6159	6662	7411	8378	9023	10052	11419	12477	13116	13793	14408	15006
388	2421	3449	4419	1123	6171	6674	7423	8390	9035	10064	11431	12489	13128	13805	14420	15018
395	2433	3461	4431	1135	6183	6686	7435	8402	9047	10076	11443	12501	13140	13817	14432	15030
402	2445	3473	4443	1147	6195	6698	7447	8414	9059	10088	11455	12513	13152	13829	14444	15042
409	2457	3485	4455	1159	6207	6710	7459	8426	9071	10100	11467	12525	13164	13841	14456	15054
416	2469	3497	4467	1171	6219	6722	7471	8438	9083	10112	11479	12537	13176	13853	14468	15066
423	2481	3509	4479	1183	6231	6734	7483	8450	9095	10124	11491	12549	13188	13865	14480	15078
430	2493	3521	4491	1195	6243	6746	7495	8462	9107	10136	11503	12561	13200	13877	14492	15090
437	2505	3533	4503	1207	6255	6758	7507	8474	9119	10148	11515	12573	13212	13889	14504	15102
444	2517	3545	4515	1219	6267	6770	7519	8486	9131	10160	11527	12585	13224	13901	14516	15114
451	2529	3557	4527	1231	6279	6782	7531	8498	9143	10172	11539	12597	13236	13913	14528	15126
458	2541	3569	4539	1243	6291	6794	7543	8510	9155	10184	11551	12609	13248	13925	14540	15138
465	2553	3581	4551	1255	6303	6806	7555	8522	9167	10196	11563	12621	13260	13937	14552	15150
472	2565	3593	4563	1267	6315	6818	7567	8534	9179	10208	11575	12633	13272	13949	14564	15162
479	2577	3605	4575	1279	6327	6830	7579	8546	9191	10220	11587	12645	13284	13961	14576	15174
486	2589	3617	4587	1291	6339	6842	7591	8558	9203	10232	11599	12657	13296	13973	14588	15186
493	2601	3629	4599	1303	6351	6854	7603	8570	9215	10244	11611	12669	13308	13985	14600	15198
500	2613	3641	4611	1315	6363	6866	7615	8582	9227	10256	11623	12681	13320	13997	14612	15210
507	2625	3653	4623	1327	6375	6878	7627	8594	9239	10268	11635	12693	13332	14009	14624	15222
514	2637	3665	4635	1339	6387	6890	7639	8606	9251	10280	11647	12705	13344	14021	14636	15234
521	2649	3677	4647	1351	6399	6902	7651	8618	9263	10292	11659	12717	13356	14033	14648	15246
528	2661	3689	4659	1363	6411	6914	7663	8630	9275	10304	11671	12729	13368	14045	14660	15258
535	2673	3701	4671	1375	6423	6926	7675	8642	9287	10316	11683	12741	13380	14057	14672	15270
542	2685	3713	4683	1387	6435	6938	7687	8654	9299	10328						



# The English Conversation Piece

by DENYS SUTTON, Editor of Apollo

Burney is an endearing native of Johnsonian and if he had not won station in his own right, he would always be remembered as Fanny, author of a charming diary, and his accounts of his Europe are congenial to those who delight in the world of the eighteenth century. This fact has inspired the but delightful show of conversation pieces on view at the Fermoys until August 7.

as been the case with exhibitions in this choice has been by Sir Geoffrey Agnew, memory of the town's a organist, he has placed phasis on conversation with musical themes, minds us that eighteenth-century England was a great age of music in

as much as Italian painted their way to England in of lucrative commission. The stability of the Fermoys musicians. The joint of painter and performer, recalled in a small and own picture. This is the artist's 'Conversation Piece' for a (from Castle Howard) one of a series of opera scenes, painted after 1708. The figures Catherine Loftis, who become the wife of Smith, British Consul in and the artist's daughter, whose house in f Honour row contains g decorations of the

ste for opera is recalled, logarth's Beggar's Opera coll.). The artist the same scene from era, which was first pr Lincoln Inn Fields in several occasions, his alling on the episode ucy Lockitt and Polly endeavour to persuade thers, respectively the and informer, to spare of Machiavelli, the high Each girl supposes s their husband. It is a that should intrigue a on brought up on the 'ell opera, which was s Gays.

a pleasure to look at s painting, the quality as recognised by that rman art critic Meier Hogarth is well repre- in this occasion by a

r from Zurich

## Drama Festival highlights

by OSSIA TRILLING

sure and gutting of the d Schauspielhaus "am to make room, next a brand-new, modern inside the old shell, the number of venues eur's Zurich Festival.

n "Theatre 11," instead, nt to the Terry Hands n of Henry V and to Serunian's Ugandan hile the recently can- arch trampled at Tie- on was used for the thaus's own festival ion and for the actors of the Co- Attori.

"Sardin Tiefenbrun- the new arts centre is to Last Address was a from the Swiss writer athias Diggelman. A mentary case-history of tion, it describes the s-scene from the point ve been one of the by majority of heron be completely cured in

the author has turned al experience into a single acting - area. Bettina Lindberg, as barnard, presides over the bar-counter and keeps tween two stools. The schnappes and beer-taps bowing as the older generation meet around their regular pub-table to discuss the latest develop- ments in the plot.



in Reiner and Claudine Rajchman in 'The Last Address'



Thomas Gainsborough: 'Conversation piece with Peter Darnall Mullman, Charles Crockett, and William Keble'

musical party (from the Fitz-William Museum) and a modello for a large picture of George II and his family which in the event was not commissioned by the monarch. This modello, which belongs to H.M. the Queen, is an enchanting picture, with a delicacy of handling which helps to explain the appeal his work had for Whistler.

In recent years attention has been paid to Marcellus Laroon the Younger whose paintings caused something of a stir when shown at the Magnasco Society exhibitions in the 1920s and were admired by Sickert and the Sitwells. He had a foreigner's

insight into local life—high life especially—and he excelled in his picture of a levee in some dual or royal house (private collection). His skill as a conversation piece painter reminds us that this genre was an imported one and that many of his first practitioners, as Ralph Edwards pointed out years ago, were Dutch.

The relationship between English and French painting during the early years of the 18th century is a fascinating topic. Hogarth, for one, is known to have derived inspiration from the pictures of de Troy. Prints, of course, played a considerable

part in disseminating a knowledge of styles, but there was also the role of the foreign painters who worked here.

Besides Laroon, one of the most charming was Philippe Mercier who was a keen disciple of Antoine Watteau. Importing into England some of his elegance, though not his sharpness of painterly touch. Yet Mercier, who worked much in the North Country, could echo the spirit of the master of the fete galante, as may be seen in the pretty little musical party, lent by the Duke of Northumberland.

The eighteenth century was the

age of the Grand Tour, when young milords and their bear-leaders set off to tour the Continent—not that such sprigs were the only ones to go, as Boswell's engaging travel journals remind us. Rome was the magnet where ruins, and the purchase of works of art, not to forget more sensual pleasures, awaited the traveller with gold in his pocket. One record of the English nobleman in Rome is Nathaniel Dance's portrait of the second Duke of Northumberland with his tutor Mr. Lippys (Northumberland coll.). It is an amusing, not to say, revealing work for the poor young man—then Lord Percy for he had not yet succeeded—looks exhausted; his burly companion was surely capable of discoursing on the antiquities for many an hour!

Reynolds remains in the mind so much as President of the Royal Academy and the painter of contemporary grandees that one is apt to forget that he was once a young man with a sense of fun. When in Rome in 1751 he produced a series of caricatures, one of which is shown at King's Lynn (Shelburne coll.); his butts are young Englishmen and a certain Monsieur Huet. It is a jolly record of the President's sojourn.

The outdoor conversation piece could bring out the best in an English artist as may be seen from Gainsborough's admirable Peter Darnall Mullman, Charles Crockett and William Keble (Barnes coll.). How fascinating to read in the catalogue that Mullman's widow married J. J. Angerstein, whose collection forms one of the cornerstones of the National Gallery!

One pleasure afforded by the conversation piece is that it provides an insight into the domestic interior of the age, and painters such as Charles Phillips are admirable witnesses of providing information about the placing of furniture and the decoration of rooms. This artist is also represented by a little-known picture from Chequers, showing the Russell and Revett families "Having Syllabus straight from the Cow."

Towards the end of the century, Zoffany provided sparkling images of the London theatrical life and of the national scene. His eye for detail is revealed in the painting of the first Duke of Northumberland and Mr. Henry Selby, who are shown in the Twickenham Room for long, and the round clock may be found on the mantelpiece at the bottom left.

Not for long, of course, if the Left has its way. Zoffany is an underestimated painter and his ability to combine the evocation of a mood with the depiction of a setting is nowhere better seen than in his charming David Garrick and Mrs. Garrick taking tea on the lawn by the Thames (Lambton Coll.). The eighteenth century had its gin lane and its horrors, but also its oases.

The relationship between the concept of a conversation piece and that of a group photograph is a close one, and the growth of photography led to the gradual decline of the conversation piece. But it still has its adherents and recently John Ward has painted one of the members of the Society of Dilettanti.

Albert Hall/Radio 3

## Bohemia to Berlin

by ELIZABETH FORBES

Saturday night's Prom, though one of the concerts originally planned for Rudolf Kempe, might have been tailor-made to fit Vilem Tausky, who brought native authority and deep affection to his conducting of music by Czech composers that made up the first part of the programme. The *Vizcaya*, from Smetana's *Ma vlast*, the river flowed masterfully through the Bohemian landscape; if the colours painted by the string and woodwind sections of the BBC Symphony Orchestra were at first a little pale, the brass provided ample compensation as the *Vizcaya* swirled down the rapids. Dvorak's *Scherzo capriccioso* evoked a vivid response from all the players, and was shaped by Mr. Tausky with a delicacy that, particularly in the irresistible waltz, did not preclude full-blooded enjoyment of the melodies.

The evening's soprano soloist, Elizabeth Harwood, complemented these purely orchestral works with two operatic arias, one from each of the respective composers. Marek's touching third-act aria from *The Bartered Bride* (sung in English), sympathetically and appealingly characterised, found Miss Harwood in excellent voice, while the water nymph's "Song to the Moon" (sung rather oddly in German), from Dvorak's *Rusalka*, was phrased, apart from one momentary break in the line, with appropriate smoothness. Mr. Tausky accompanied both arias most sensitively, and ended the first half with a rousing account of the Polka and Fugue from Weinberger's opera *Schwanda the Ragpicker*.

After the interval we left the breezes of the Bohemian countryside for the hot-house atmosphere

of German operetta, mainly of the vintage to be heard in Berlin during the 1930s. The overture to Heuberger's *Der Opernball* paid due homage to late 19th-century Vienna, then Miss Harwood sang *Ich schenk mein Herz* from *Die Dubarry*, the enormously successful opera adapted by Theo Mackeben from Millocker's *Gräfin Dubarry*. One of Mackeben's original compositions, the waltz *Münchener G'schichten* (taken from a film score), proved to be a brash and derivative piece, but "Ich bin verliebt," a song from Nico Dostal's *Clivia*, nicely balanced sentiment with charm, and was admirably put across by Miss Harwood. Finally, for the Polovian Dances from Borodin's Prince Igor, the orchestra was joined by the Goldsmiths Choral Union, who praised Khan Konchak with suitable energy and enthusiasm.

Victoria Palace

## Kate and Anna McGarrigle

by ANTONY THORNCROFT

The best thing from Montreal on Sunday evening was not the Olympics on television but the McGarrigle sisters at the Victoria Palace. Earlier this year these two young Irish Canadians released the nicest first album of 1976; now they have sewn up the most appetising London concert debut.

To begin with they are a quiet joke—they Anna, looking like a pert Jane Austen heroine in her white smock, but almost Pythonesque as she struggles with an accordion or disappears

behind a huge bass guitar; Kate seemingly more robust in something approaching a white judo suit. It is not surprising that she provides the deeper notes

Soon the quaintness turns into charm as the McGarrigles perform their own beautiful songs, effortlessly switching instruments, effortlessly bouncing the lyrics and the melodies back and forth. Their voices have a folk club purity and strength but their songs are of contemporary North America, the particularly bewitching "Talk to me of Mendocino" and the rousing Students Songbook pastiche of

"Work Song." They have a sophisticated quite at odds with the girls' puritanical performance.

"That was the folksy section: this is the money making section," says Kate as she goes to the piano after the ceilidh-like opening, and the sisters sing their own compositions. There is something persuasively unprofessional in their introductions and in their conversation, a relic of folk club origins, which occasionally seems out of place against their undoubted big time talent and their presumably inevitable rise to fortune. But they always stay the right side of coyness.

In fact the only regret in a most entertaining and aesthetically received concert was the awkwardness of some of the accompaniments. The McGarrigles brought just a bass player with them, and the scratch musicians gathered on stage could not possibly hope to catch the sisters' ingrained sympathy with their song. So the most intense moments were the lone duets, in particular the first encore, "Heart Like a Wheel," which must be one of the most haunting songs of recent years.

Theatre Royal, Stratford E.

## The Father

by JEREMY KINGSTON

A thin house watched a middling production of this unassuming drama. Evidently the name of Strindberg is still a bugaboo to scare off the customers except when giants are in the cast. Are those who stay away missing a remarkable experience? I think not, although there is always a chilling quality to the scene near the end where the Captain's old Nurse tricks him into his straightjacket. Gwen Nelson firmly shuffles round her charge, giving vent to soothing mumbles and affectionate sob. That's how it should be.

The play's power rests on the playing of the Captain, the man whose fatherhood is called into question, who seizes on the thought that he may not be his daughter's father like a man on a raft who flings himself overboard and clings to a drowning rat. Strindberg manages the entry of this subject with great skill—the play is a model of economical craftsmanship—but these like an elegant predatory bird.

Everything he violently proceeds to do, throwing caution and precaution to the wind, can be made to seem logical but the actor (Lee Montague in this production) has to prepare us for this by indicating the crucial position his daughter occupies in his thoughts. She is his future, his solitary hope. Her importance is indicated in Valerie Hanson's production because the words say so but the absence of emphasis is a shortcoming. His reactions become absurd, the behaviour of a fool.

On the other hand, Rachel Herbert does succeed in conveying the imprudence of his wife, room in the northern extension of the lack of foresight of a small-minded woman who can plot cunningly enough from A to B but forgets the rest of the alphabet. The feeble menfolk who surround her are forever revealing by accident new legal dodges that will entrap her husband. She leans her head forward to grasp these like an elegant predatory bird.

## Colour Workshop for children at National Gallery

The Colour Workshop at the National Gallery is open to children every Wednesday and Thursday afternoon for the rest of July and all August. (The activity begins at 2.00 p.m.) The Colour Workshop is a room in the northern extension of the Gallery where children can experiment with colour and techniques such as fresco, egg tempera and oil under the guidance of a practising artist. It contains a display of pigments and a 19th century colour grinding set (on loan from Winsor and Newton) to show that artists once made their own colours.

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

July 9, 1976

\$100,000,000

## The Japan Development Bank

8 1/4% Guaranteed Notes Due July 15, 1981

Unconditionally Guaranteed as to Payment of Principal and Interest by

## Japan

The First Boston Corporation

Dillon, Read & Co. Inc.

Smith Barney, Harris Upham & Co.

The Nikko Securities Co.

Goldman, Sachs & Co.

Kuhn, Loeb & Co.

Merrill Lynch, Pierce, Fenner & Smith

Salomon Brothers

Bache Halsey Stuart Inc.

Blyth Eastman Dillon & Co.

Daiwa Securities America Inc.

Donaldson, Lufkin & Jenrette

Drexel Burnham & Co.

Hornblower & Weeks-Hemphill, Noyes

E. F. Hutton & Company Inc.

Kidder, Peabody & Co.

Lazard Freres & Co.

Lehman Brothers

Loeb, Rhoades & Co.

Nomura Securities International, Inc.

Paine, Webber, Jackson & Curtis

Reynolds Securities Inc.

Warburg Paribas Becker Inc.

Wertheim & Co., Inc.

White, Weld & Co.

Dean Witter & Co.

Yamaichi International (America), Inc.

ABD Securities Corporation

Arnhold and S. Bleichroeder, Inc.

Basle Securities Corporation

EuroPartners Securities Corporation

Robert Fleming

Kleinwort, Benson

New Court Securities Corporation

New Japan Securities International Inc.

SoGen-Swiss International Corporation

UBS-DB Corporation

## Summer Puppet Festival

The Unicorn Theatre for Young People, at the Arts Theatre, London, WC2, is holding a Summer Puppet Festival featuring eight companies working with a wide variety of puppets. The festival includes Traveling Booth Company, the Midland Arts Puppet Company, Hogarth with Muffin the Mule and

Abraham's clowns and puppets. Ted Milton, who will be the first marionettist to play at the new National Theatre, brings Mr. Pugh's Velvet Glove Show to the Unicorn in August followed by Barry Smith's Theatre of Puppets for the summer holiday week-end. The festival runs until September 5.



# Not many slip through

BY DAVID LASCELLES

ONE YEAR after the Helsinki Declaration, which was supposed to open up broader contacts between East and West Europe, there has been little change in the Soviet bloc's attitude towards imports of the western Press. So far as can be judged from the circulation returns of major western newspapers (which tend to come out late and to be expressed as hazy averages) East Europe's imports remain minimal, while on-the-spot reports suggest that the availability has not improved for the man in the street.

On the other hand, there has been equally little change in western imports of East European newspapers, and western Governments have done nothing to promote interest in them.

A survey carried out last week by the Financial Times showed that of five West European news-

bought by travelling western businessmen.

The survey shows that the largest importer by far is Poland, though in terms of newspapers bought relative to population, Hungary comes out on top, with Czechoslovakia second. The lowest per capita imports are by the Soviet Union where only one person in over 100,000 is likely to receive one of the papers surveyed.

Mashdunarodnaya Kniga (International Book), the Soviet newspaper exporting organisation, refused to give this information when contacted in Moscow. The Soviet Embassy in London said it did not have it, but commented that most of the Soviet newspapers brought into Britain probably went straight to the Embassy itself.

Some approximate figures

in 24 hours of publication. Western newspapers in Moscow are usually 48 hours old, and their appearance cannot be guaranteed.

Although sales figures for other Soviet bloc newspapers are not available, they are negligible. The biggest selling, the Polish, have been unofficially estimated at a few dozen. The East Europeans have complained about this, answering the argument that few Britons speak Hungarian or Romanian with the claim that under the "spirit of Helsinki," western governments should encourage the study of these languages.

The reasons for the East Europeans' continuing refusal to take in more western newspapers are still clearly political. The ideological war is more strongly stressed than ever in official statements. But the East

Bulgaria: No western news papers available at all.

Czechoslovakia: Some papers available, but at a reasonable private subscription rate.

East Germany: No western newspapers available at all, except at special occasions like the Leipzig Fair, and at a price. Hungary: A few western newspapers have been seen at kiosks, but most are available in major hotels—where ordinary Hungarians can go. Papers are available within 24 hours, but are expensive.

Poland: Offers the best range of papers in East Europe through a retail network specialising in foreign printed matter. Last Friday, our Warsaw Correspondent was able to buy the following newspapers in the capital's main street (sterling price equivalent in brackets): Le Monde

## SALES OF SELECTED NEWSPAPERS

	London Times	Financial Times	Le Monde	Frankfurter Allgemeine Zeitung	Herald Tribune	Corriere della Sera	Head of population
	Subs	Other	Subs	Other	Subs	Other	
Bulgaria	36	0	37	0	128	0	23
Czechoslovakia	14	100	103	0	51	288	126
East Germany	0	0	20	0	0	231	0
Hungary	4	166	120	0	43	270	29
Poland	13	260	110	0	72	1,000	238
Romania	19	37	22	0	108	500	219
Soviet Union	151	40	100	50	188	40	109
Total subs	237	—	512	—	590	—	611
Total other	—	603	—	50	—	2,078	—
Grand total	—	840	—	562	—	2,688	—

\* Figures are average daily sales for the second half of 1975, except Herald Tribune which is for the whole of 1975.

† Breakdown not available.

‡ Excluding Frankfurter Allgemeine Zeitung.

papers, only one, the Financial Times itself, had improved its sales significantly, from a daily average of 510 to 562, due almost entirely to a new bulk order of 200 copies a day from the Soviet Union. (The survey excluded western Communist newspapers.) The Times, Le Monde, the Frankfurter Allgemeine Zeitung all reported little or no change, while the Herald Tribune recorded a drop from 1,334 copies a day to 1,177. Most newspapers channel their foreign sales through bulk exporters, and these also report little change. "Sales are steady as a rock" was how one put it.

Some newspapers, however, were expecting new orders after the summer holidays. Le Monde, for instance, believed the Poles would increase their daily order from 1,000 copies to 1,500, and the Romanians from 500 to 800.

The survey tried to distinguish between official orders and sales to the general public, but this proved impossible. Although most subscription copies go to ministries and government organisations, many of them are also gifts from westerners to friends and relatives in the East. Similarly, not all non-subscription copies necessarily go to news stands or public reading rooms. In fact, most of the bulk importer to institutes, universities and other worthy recipients. Those that do go on "public sale" tend to appear in hotels and airports rather than street kiosks, where they are

were obtained from Collet's Holdings, the main British importer of Soviet printed material, and these are given in the accompanying table.

Excluding Embassy subscriptions, they show that some 310 copies of the two main newspapers, Pravda and Izvestiya, are sold daily, but only 10 per cent of them through retail outlets.

Sales of major Soviet newspapers and periodicals in Britain\*

	Subscription	Open sale
Pravda	190	20
Izvestiya	120	15
Ekonomicheskaya gazeta	65	15
Literaturnaya gazeta	175	15

\* Subscription sales as supplied by Collet's Holdings. Open sales estimated on basis of returns from retail outlets.

The second two titles are weeklies. Figures are average daily or weekly sale in the first six months of 1976.

The pattern, therefore, is the same as that for sales of British newspapers in the Soviet Union: sales are low, and most go to institutional subscribers. In absolute terms, sales are comparable, though Soviet imports are much lower per head of population.

Another factor is price. Pravda sells in London for 6p while the Financial Times is offered in Moscow for the equivalent of 60p. Similarly, Pravda is regularly on sale in London with-

Europeans themselves put up other reasons, including the desire to keep out pornographic and violent literature, and protect socialist values.

More justifiable are refusals on grounds of cost, though no country has yet agreed to put newspapers on sale in their hard currency shops. The Poles, however, have said they are willing to buy newspapers for zlotys, a proposal that has yet to attract a western publisher.

In a recent interview, Mr. Yuri Leonov, head of Mashdunarodnaya Kniga said his organisation had tried to take out more subscriptions to western journals, but that many publishers had either failed to fulfil Soviet orders or refused to sell copies because of an "embargo." Never-

theless, Mr. Leonov claimed, Soviet imports of western printed matter were worth 6m. roubles last year, while exports to the west totalled only 2.8m. roubles. In some cases like Britain, the Soviet Union imported five times as much printed matter as it sold.

"It is not true that western newspapers in the Soviet Union are only sold to foreigners," he said. "I bought a copy of the Austrian daily Die Presse on my way to work today. We display foreign newspapers on the counter, but by no means all copies are sold."

Country by country, public availability of newspapers is as follows:

(19p). Daily Telegraph (12p). Daily Mirror (7p). Neue Zürcher Zeitung (21p). Herald Tribune (17p). London Times (17p). The Guardian (14p) and The Observer (28p). Most newspapers were two to three days old. Our correspondent comments that occasional editions containing sensitive items do not appear, and that a would-be purchaser has to know when papers are put on sale because they go very quickly.

In addition, there are several dozen reading rooms up and down Poland where passers-by can walk in and read a wide range of Western newspapers and periodicals without restriction.

Romania: Western newspapers and magazines available in major hotels, but normally only for foreigners.

Soviet Union: Major hotels and the airports in Moscow, and Leningrad have begun to stock Western newspapers. Last week our correspondent obtained a copy of the Financial Times for 80p at the Hotel Metropol kiosk, and saw Frankfurter Allgemeine Zeitung and Corriere della Sera on display. The Herald Tribune was available, but from under the counter for 45p. Our correspondent comments, however, that few ordinary Russians gain access to foreign newspapers, and no Western newspapers are available on street kiosks or in public reading rooms.

## Dublin plan to improve security of ambassadors

By Giles Merritt

AN IRISH Special Branch report on the security steps that had been taken to protect Britain's assassinated Ambassador, Mr. Christopher Ewart-Biggs, is understood to have been completed and passed to Prime Minister Mr. Liam Cosgrave's office. It is expected that the emergency report will be discussed at to-day's Cabinet meeting and will form the basis of a plan to step-up personal security of the 28 ambassadors to Dublin, for which the Irish Government is responsible.

The Assistant Commissioner in charge of C2, the Special Branch section that co-ordinates anti-subversion security in Ireland, was requested to undertake an immediate enquiry into the arrangements for Mr. Ewart-Biggs' safety.

It is possible, according to Government sources here, that the C3 report will emphasise that only a few days before Mr. Ewart-Biggs was murdered last Wednesday, a senior officer from the Division was called in by British Embassy officials to discuss security arrangements with the Ambassador. In a lengthy interview, Mr. Ewart-Biggs and members of his staff are known to have questioned the officer on security matters, and to have found that the system was as satisfactory as could be expected.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that was over the Garda policy of leaving all outside doors of the main Glencairn building unlocked even at night. This was apparently to permit the patrolling guards entry and it was stressed that the estate's perimeter was secure.

There was one serious note of concern expressed at the meeting with the Special Branch, and that



## AMERICAN NEWS

## U.S. banks to police 240m. loan to Peru

BY PALMER

NEW YORK, July 26.

SORTIUM of large U.S. banks has already sent a letter and will shortly announce a loan of \$240m. to the financially stricken Peruvian Government. The loan will be spread over several years, will be conditional on Peru adopting and putting into effect a drastic economic plan.

National City Bank of New York and Morgan Guaranty Corp. of the five or six U.S. banks in the talks, confirmed the loan agreement calls for Peru to monitor its monetary and fiscal policy. It is believed to be the first time that private banks will police a public's monetary and fiscal policy.

Initially, this kind of close supervision has been carried out by the International Monetary Fund. However, it is believed that the Peruvian Government, which originally asked the IMF for a loan, has been balked at that required financial aid.

from Citibank and Guaranty, the U.S. banks in the consortium are to include Bank of America, Manufacturers Hanover, and Wells Fargo. Although none of these banks has a branch in Peru, they are all active in Latin America, Europe, Canada and elsewhere. The consortium is on the same conditions as the total Peruvian Government loan of \$240m.

Peruvian Government, currently has about \$1.5bn. in foreign debt costing 10 per cent. a year in interest, and a year in default. This year, the country's balance of payments is at least \$1.5bn. after a fall of \$1.6bn. in 1975.

## S. productivity rise in second quarter

WASHINGTON, July 26.

BUREAU of Economic Analysis said that the private sector's productivity rose 3.5 per cent. in the second quarter, compared with 5 per cent. in the first quarter. The annual rate of increase was 5.4 per cent. in the second quarter, compared with 5.1 per cent. in the first quarter.

The productivity index for the second quarter was 100.7, compared with 100.5 in the first quarter. The annual rate of increase was 5.4 per cent. in the second quarter, compared with 5.1 per cent. in the first quarter.

## Ford signs coastal oil development legislation

WASHINGTON, July 26.

President Ford signed legislation authorizing \$1.2bn. to be over the next 10 years for coastal oil development. The bill, which recognizes a national responsibility to assist coastal states and communities that will be affected by the accelerated exploration and production of oil and gas from the Federal outer continental shelf.

## Borsov 'defection' denied

MONTREAL, July 26.

where the sprinter was, probably at the request of the Russian delegation. Mr. Borsov, 27, was the focus of a half page advertisement placed in the Montreal Star on Saturday by a Ukrainian emigre group. The advertisement read "while the Soviet regime exploits the talent and dedication of Ukrainian athletes like Valery Borsov it continues to persecute countless other Ukrainians."

Ashland gas demand ASHLAND OIL'S higher petroleum division operating income reflected record petrol demand and the effects of previous investments which upgraded the value of refinery output into petrochemicals and other products, Chairman Orin E. Atkins said.

Ashland's international and domestic exploration activities continue to show improved results, he said. During the past quarter Ashland agreed, subject to certain conditions, to acquire an interest in the Beas field in the British sector of the North Sea, Reuters reports.

Initial results indicate this area may have significant commercial potential, Atkins said.

## detained in Jamaica

ANUTE JAMES

KINGSTON, July 26.

15 persons, the second highest number in any one day since the emergency was imposed. All the detainees are being held at army headquarters in Kingston where they are being interrogated by the security forces. Thirteen Jamaican cock-fighters were found in Kingston by the police.

## Shooting at White House probe

By Our Washington Staff

WASHINGTON, July 6.

PRESIDENTIAL security is once again the focus of investigation following the shooting of a Washington man who trespassed on White House grounds on Sunday night. It was the first fatal shooting in the vicinity of the White House since 1950 when Puerto Rican nationalists attacked Blair House during the Truman administration.

A grand jury is meeting today to investigate the circumstances surrounding the death of Chester Plummer, aged 30, a self-employed taxi driver and much decorated Vietnam war veteran. Mr. Plummer, carrying a steel pipe, scaled the wrought-iron fence around the White House and ignored repeated orders to halt. Witnesses say he had advanced almost half way across the grounds towards the President's residence, with the pipe over his head, when he was shot once in the chest by a security guard.

No motive was apparent for Mr. Plummer's actions. He is described by his family as a "loner" estranged from his wife but also a vocal supporter of President Ford's policies. President and Mrs. Ford were in the family quarters of the White House at the time of the shooting and were informed of the incident shortly after it occurred.

ECUADOR'S income per head has doubled to over \$US500, after four years as an oil exporting country, and the economy is now substantially dependent on oil income for continued growth. Any significant reduction of oil exports, such as occurred last year when the trans-Andean pipeline was out of action, is immediately reflected in falling international reserves, budget cuts and the postponement of long term development projects.

Not unexpectedly, Ecuador's dependence on oil, which accounts for nearly 60 per cent of exports, is a major issue in the current debate on nationalisation. Many argue that a resource so crucial to the economy should not be controlled by foreign companies, while others say that the country cannot risk disruption from a state take-over. At last month's National Oil Convention in Quito, the former Minister of Natural Resources, Señor Hugo Pérez la Salvia, expressed an extreme view derived from the Venezuelan experience: nationalisation before dependence becomes excessive—and nationalise right across the industry.

Ecuador has so far taken two major steps towards nationalisation through the state oil corporation, Cepe—the acquisition of a 25 per cent share in Texaco-Gulf's operations, which include 99 per cent of the country's production, and the control of all internal marketing of oil products. But even as the Cepe signs were painted on to petrol pumps, it was already clear that the foreign companies would continue to press the Ecuadorian Government for a good piece of the oil action whether production is nationalised or not.

## ECUADOR'S OIL

## Political resources

BY SARITA KENDALL, BOGOTA CORRESPONDENT

Though Texaco and Gulf have consistently denied that they would like to get out of Ecuador, it is an open secret that they have been negotiating nationalisation terms with the military junta. The Oil Minister, Colonel René Vargas Pazos, presented a confidential study to the junta four months ago, rejecting as

and politics is now such that the junta's survival may depend on its handling of the nationalisation problem. The pressures for a decision, which would provide the political profile so notably lacking since the triumvirate took over in January, are growing. Though internal divergences among the military have so far

plan for a return to civilian rule within two years, was clearly a penalty for his growing popularity. Having led the discussions with political parties, all grown enormously in the last months, peasant federations, universities and Indian groups, he was in danger of emerging as too strong a figure. His fate was similar to that of Admiral Gustavo Jarrín Ampudia, exiled

items which affect them are being brought out into the open.

The National Oil Convention played an important part in extending the nationalisation debate, and, apart from dealing with the technical and political aspects of a State take-over, it gave both Government representatives and trades unionists the opportunity to analyse the economic impact of oil earnings. Thus, while public spending, company profits, manufacturing industry and foreign trade have all grown enormously in the last four years, the real minimum wage has fallen, agricultural production has failed to keep pace with population growth, stimulating inflation, and socio-economic structures have remained virtually unchanged.

Colonels Vargas and Píseiros attended the opening meeting and addressed the Convention in a surprising—for Latin America—juxtaposition with bearded students and labour leaders in denim jackets who launched virulent attacks against the foreign companies. At the last moment Admiral Jarrín, a former Minister of Natural Resources, was banned by the junta from speaking at the closing session but extracts read from his report reviewing Ecuadorian oil policy were resoundingly applauded by a large and attentive audience.

The report was partly a defence of his tactics when Minister of Natural Resources, and rebutted the anti-nationalist campaign which, most recently, gathered its forces to scuttle the formation of a joint Ecuadorian-Romanian company for exploration and exploitation. Attempts to discredit Admiral Jarrín himself have had little success. Rather are his oil theses providing a rallying point for both civilian and military factions.

Popular awareness of politics and national issues has reached an unprecedented level... partly because of the publicity being given to oil, especially the nationalisation controversy.

absurd the oil companies' conditions for continuing their operations—a \$1.05 per barrel cut in the state take—almost inevitable. In particular, a group of progressive army colonels is making its influence felt in the political arena. Even if the junta would like to remove Colonel Vargas and the head of Cepe, Colonel Luis Píseiros, for their radical attitudes, the repercussions might cause its own demise. This risk was behind the removal in June of the Interior Minister, Colonel Richelieu Levoy, to the post of military attaché in Washington.

Colonel Levoy's dismissal, only hours after his public clarification of the armed forces' position, was a clear signal that the junta is ambivalent, and more responsive to the companies' demands. The marriage of oil

prevented any direct move to oust the junta many people feel that its prestige has fallen so low that such a step seems almost inevitable. In particular, a group of progressive army colonels is making its influence felt in the political arena. Even if the junta would like to remove Colonel Vargas and the head of Cepe, Colonel Luis Píseiros, for their radical attitudes, the repercussions might cause its own demise. This risk was behind the removal in June of the Interior Minister, Colonel Richelieu Levoy, to the post of military attaché in Washington.

Colonel Levoy's dismissal, only hours after his public clarification of the armed forces' position, was a clear signal that the junta is ambivalent, and more responsive to the companies' demands. The marriage of oil

to the London embassy after initiating Ecuador's nationalist oil strategy. Popular awareness of politics and national issues has reached an unprecedented level, partly as a result of the Government's "political dialogue," and partly because of the publicity being given to oil, especially the nationalisation controversy. As Señor Julio César Trujillo, leader of the progressive half of the Conservative Party, commented: "Ecuadorian politicians have never discussed real problems such as oil in the past. They have always concentrated on making extreme personal attacks against each other. Now the popular sectors are interested in what's happening, because prob-

what's happening, because prob-

## AN EXPORT REVOLUTION.

KANO/LAGOS

44p

NAIROBI

53p

DAR ES SALAAM

64p

LUSAKA/NDOLA

70p

KHARTOUM

46p

ABU DHABI/SHARJAH  
DUBAI/RAS AL KHAYMER

44p

PERTH/SYDNEY  
MELBOURNE

96p

IAS Skyrates are available to other points in the eastern hemisphere.

IAS Cargo Airlines is expanding its revolutionary concept of 'routine' air cargo services throughout the eastern hemisphere. They are a new and alternative cut-price transportation system for exporters. Faster and as low (or lower) in cost than surface transport; much cheaper but just as reliable as conventional air freight. And they are flexible—a vital

advantage in modern commerce. The true cost of cut-price air freight is usually hidden, or not published at all (try finding our competitors' rates). IAS prints its Skyrates so that they form a known net component of your freight agent's package price. Set out above is the air freight cost element by IAS Cargo Airlines.



# IAS CARGO AIRLINES

Head office: Norfolk House Horley Surrey RH6 7QZ  
Tel: Horley (02934) 71601. Telex: 87130 or 877126 Intavia  
Overseas offices in Switzerland, Kano, Lagos, Khartoum, Nairobi, Lusaka, Sharjah, Bombay and Sydney.

● PRICES IN UK PENCE PER KILO FROM LONDON  
● MINIMUM SHIPPABLE WEIGHT 250 KILOS  
● SKYRATES CAN BE SUBJECT TO SMALL CURRENCY FLUCTUATIONS



## Arab troops fight to establish Beirut disengagement line

HEAVY fighting continued in Beirut today but the head of the Arab League peacekeeping force has repeated its determination to set up a disengagement line despite the new violence and an attack on its troops on Sunday.

Insan Hjjad reports: Dr. El Kholy, the Arab League representative, said last night that he would have to undertake political negotiations for enforcing the ceasefire. He said he planned to meet right-wing

leaders under President Suleiman Franjeh at Kfour near the Port of Jounieh.

He said that a new attempt to station Arab forces in positions specified under the ceasefire agreement will not be made until certain matters have been cleared.

The Arab League envoy said that the Sudanese forces which tried to expand the neutral zone were fired on from "all sides," but that most of the casualties were suffered on the

Christian eastern side. He said seven Sudanese soldiers were wounded and some of their military vehicles put out of action. He did not say how many.

Dr. Ed Kholy displayed shrapnel from mortar shells which he said were fired against his troops. He said that it was difficult to know how many were there. He said some had died of asphyxiation and others for lack of first aid help.

Reuter adds: Right-wing gunmen have been "forced to repulse" Arab League peacekeeping troops in Beirut, according to a right-wing Lebanese radio.

Two members of the combined Arab League force were reported to have been killed yesterday. Some reports from the spot said they were Sudanese.

Amshitt radio, which supports right-wing President Suleiman Franjeh, quoted

former President Camille Chamoun as saying the peacekeeping force had tried to take over right-wing positions without his National Liberal party's foreknowledge. The force, from four Arab countries, has been trying to open up the "confrontation line" between right-wing Beirut and the western part of the capital, where the Palestine commandos and their left-wing Lebanese allies are entrenched.



Suleiman Franjeh... new confidence.

## Another Ethiopia coup bid thwarted

ADDIS ABABA, July 26. LOYALIST troops executed their commander and a junior officer caught trying to hatch an anti-government plot. Ethiopia's ruling Military Council has announced. It was the second conspiracy disclosed by the government in as many weeks.

The Military Council, which has been taking an increasingly tough line against those it considers counter-revolutionary, identified the two men as Lt. Col. Berhanu Talle, commander of the 26th Battalion of the First Army Division, and Lt. Hailu Mariam Hassan.

It said they were involved in the same anti-government plot conceived by Brig. Gen. Getachew Nadeu, the martial law administrator of Ethiopia who was shot two weeks ago while resisting arrest.

It was not immediately clear where the executions took place—the two officers were shot early yesterday—but the First Division is stationed mostly in Asmara, capital of Eritrea.

The Council said Col. Berhanu had a reactionary background, sought a position of power for himself and waited for a suitable moment to betray the revolution. The statement also said enemies of the revolution which overthrew Emperor Haile Selassie in September, 1974, still existed.

The latest executions come amid reports of dissatisfaction within some sections of the Armed Forces with the leadership of the revolution which brought the military to power two years ago.

Informed sources said much of the discontent centred on the air force and airborne units, both of whom play a major role in the war against Eritrean secessionists.

### Bengal move

Chief Minister Shiddhartha Ray of West Bengal has stated that precensorship of the Press in force in his State since the Declaration of Emergency will be lifted soon. Precensorship has been lifted in most of the States, West Bengal being the remaining four where the order still operates.

The Chief Minister expects the Press to observe a measure of self-censorship and hopes all newspapers will co-operate after the liberalisation.

## Christians scent victory

BY MICHAEL TINGAY IN JOUNIEH

HIGH in the mountains above Jounieh, the port which is Christian Lebanon's lifeline with the outside world, in the tiny stone-built village of Kfour the man who still claims to be President of this war-torn country stays in the house of his confidant Mr. Lucien Dahdah. Conversation around Mr. Suleiman Franjeh no longer revolves round the creation of a separate Christian state but the wresting of the whole of Lebanon from the Muslims and Palestinians in the name of legitimate rule.

Two months ago Mr. Franjeh's mountain exile smelt of siege, a separate isolation from the troubles below where Christians faced fuel shortages and soaring food prices. He was also isolated politically from the body of Christian Right-wingers, many of whom wanted his resignation.

Following the June intervention of Syria in the Lebanese war, the "Kfour front" as it was then known was renamed the "Lebanese front." In April demands for the President's

resignation were ignored. Now in Kfour there is no question of Mr. Franjeh stepping down before his term expires on September 23.

Gone is the feeling in the Christian heartland of "breaking out of the siege." The Christian right wing is gearing up for what it sees as inevitable military victory. They believe Syria which is giving them vital military and political support will permit this.

There have been two wars in Lebanon since the Syrian intervention. One is between Syria and the Palestinian Muslim alliance, the other is between Lebanese right wing Christians and the alliance of the Left.

Mr. Camille Chamoun, a former president and head of the Right-wing National Liberal Party (PNL) like other leaders says the war is against the Palestinians. He maintains that negotiations can begin when the Palestinians have been "swept from Christian Lebanon."

Mr. Kemal Jumblatt, head of the Left-wing Lebanese Progress

sive Alliance, has said that negotiations can begin only after the Syrian Army is withdrawn.

Mr. Chamoun underlined his point from his top-floor flat in the suburb of Ashrafia in East Beirut where he gives visitors particulars and explains latest details of the bitter month-long battle for Tel el Zaatar Palestinian camp far below.

Syrian withdrawal is unthinkable for the Christian Right. Lucien Dahdah believes the Syrians will have to stay at least three years in Lebanon to restore security before the related problems of restoring economic confidence and finding a permanent political solution can be tackled.

The Christian plan is now to persuade Syria that 80 per cent of Lebanese territory must be "pacified and reunified" in the name of sovereignty. West Beirut, Tripoli, Sidon, Tyre and the south were left in the hope that spilt will develop in the Muslim Palestinian coalition.

Many Christian leaders do not accept that Lebanon's is a civil

war. Chamoun was adamant. "I am at war with the Palestinians not the followers of Kemal Jumblatt."

Lucien Dahdah had another slant, arguing: "We have fought the Christians but never their cause." His cornerstone is that the Palestinians have become a political party in Lebanon which "will not help them to get back Palestine."

Christian leaders seem to be preparing for a long war ahead. Confidence has renewed their resolution. Notions of partition have been by-passed by the goal of restoring national unity. The siege has been reversed.

Nonetheless the administration in the Christian heartland is based on long-standing de facto partition contingencies. On the wall in the new information office of the predominantly Christian phalangist party in East Beirut, a huge chart explains the "enterprise for national restoration." The "Lebanese front" is divided into military (defence, security, information) and civil responsibilities (transport and public services, education, production and provisions, health and finance/planning). Below these are volunteer popular committees in zones and sectors dealing each with one aspect.

In Camille Chamoun's house one man described himself as Minister of Posts and Telecommunications. An official explained that a microwave system had been bought from France and was due in Jounieh by the end of the month. Lines, on the submarine cable from Cyprus to Athens had already been purchased and an independent hook-up with Europe would soon be connected. Though Jounieh port has opened links with the outside, and road routes to Syria are open, the region's lifelines to the world at large go via west Beirut where cut off two weeks ago.

Mr. Chamoun, aware of the delicacy of their position, denied that there was statehood within the partition lines, pointing out "there are not yet any laws, nor is the police, so you cannot call us a state."

The Christians have to be careful not to cross the dividing line between de facto partition and a declaration of statehood for fear of upsetting the Syrians on whose support they depend and who would be seriously embarrassed by such a move.

The emphasis is therefore increasingly on the constitutional aspects of the partition. Mr. Chamoun Foreign Minister over the head of Muslim Premier Rashid Karami who was acting Foreign Minister. Constitutionally the move was in order.

One possible obstacle to Christian plans for territorial expansion could be the Vanguard of the Lebanese army, recently set up by Syria at Rayak air base in the Syrian controlled Bekaa Valley, presumably as a round which to rally a reconstituted army. This separate Lebanese regular army grafted on to the "neutral" Lebanese air force could scotch Christian plans to rebuild the army under their control.

But whether Christian military successes continue or the current Palestinian talks in Damascus finally result in a climb-down by the PLO, Christians must return to the inescapable questions of the basic reforms which the Muslims have been fighting for.

One Lebanese Muslim in Beirut said: "The Maronites cannot pretend the Palestinians caused the war and that their will end complaints. The Maronites headed the Presidency, the Deuxieme Bureau, the army and had a Christian in the Ministry of Foreign Affairs on the false assumption that they were numerically superior. But now Shi'a and Sunni Muslims are first and second numerically inside Lebanon and the Christians are third."

The February constitutional document, which offered Muslims equal distribution of any government posts, was rejected because even then the fight had gone too far for the progressive alliance to accept so little. Mr. Chamoun commented: "They rejected this so we will have to rethink reforms in event of a settlement."

Mr. Karim Pakradoni, key figure in the Phalangist party, and probably the ablest serious politician on the Christian front, was equally non-committal on how the reform problem could be solved. "You can't reform what does not exist. First we will have to reconstruct, go beyond reform to reconstruction."

Mr. Chamoun and Mr. Dahdah, however, both seemed to believe that their recent military success might have laid the centuries-old ghost of Lebanon—the Christian fear of being dominated and overrun.

Mr. Chamoun saw a formula for a solution in the new Christian self-confidence. "The formula is for one not to dominate the other. And the other to lose its fear of domination." Mr. Dahdah maintained that after the Syrian alliance Lebanon's Christians have gained their political adulthood in the Arab world, which will never be lost.

## Rhodesian citrus fruit 'to be buried'

BY TONY HAWKINS

SALISBURY, July 26

ONE OF Rhodesia's largest companies—the Anglo-American controlled sugar and citrus producer Hippo Valley Estates—is to dump 18,000 tonnes of citrus fruit "in a big hole in the ground" because there is no rail transport to export the crop.

This was announced by the Hippo Valley chairman, Sir Ray Stockill, who says that there is no practical alternative to this drastic measure. He says that requests from charitable and welfare organisations that the citrus—mainly grapefruit—be supplied either free of charge or at reduced prices are impracticable as this would put many smaller producers out of business and harm Hippo's own internal market.

Hippo says that it has already lost \$750,000 about \$585,000 and there is no spare capacity in the canning factory to process additional quantities of fruit.

The Rhodesian Government says it is treating the South

African 20 per cent import deposit scheme as matter of "utmost priority." South Africa is Rhodesia's prime export market for manufactured goods—especially furniture, radios, clothing, footwear and textiles. A Rhodesian Government spokesman conceded that some Rhodesian exporters would face difficulties as a result of this move, but the Government was giving the matter urgent consideration.

Dr. Ian Smith, leader of the Zimbabwe African National Congress, left Luanda on Sunday after a week-long visit, announcing that the ANC is to open a Luanda political office shortly. Another member of the ANC said broadcast to Zimbabwe (Rhodesia) from Angolan territory would also start soon, Jane Bergerol writes from Luanda. During his visit—his first to Angola—Dr. Nkomo held talks with the Angolan president Dr. Neto, with the Prime Minister and with a number of other leading party and Government officials, stressing longstanding ties between MPLA and the Rhodesian nationalists.

## Iraq hint on oil prices

The Oil Minister of Iraq, Tayeb Abdul Karim, said in Vienna yesterday that his country favoured higher oil prices because of the exorbitant price for Western industrial products. He came to Vienna for talks on the Iraq-Austrian Trade Commission.

Iraq ranks sixth among the producers in the 13-member Organisation of Petroleum Exporting Countries (OPEC). It was expected that Iraq would voice the demand for higher oil prices when Opec meets next in Qatar in December.

The last Opec oil ministers' session in Bali, Indonesia, failed to agree on any price boosts.

### Hijack warning

Shippers in the Gulf have been warned by the U.S. against the possible hijacking of an oil tanker in the region, despite the fact that shipping sources said yesterday, reports Reuter from Bahrain.

The warning was received from the U.S. Department by oil companies and shippers on Thursday, and increased the shipping have taken it seriously because it was more detailed than alerts received in the past, the sources added.

### Iran oil goal

Iran is still setting a high target for its oil sales, according to crude oil to third-party buyers outside the international consortium channels, the petroleum intelligence weekly (PIW) newsletter reports, says AP-DJ from New York. The National Iranian Oil Company has now set a third-quarter goal of \$20,000 barrels daily.

Besides, reaching a 1m. barrels daily sales level in June, National Iranian also for which the oil ministry has set the proportion of heavy crude to more than half its total sales volume, EIW added.

## Record Abu Dhabi budget

ABU DHABI, July 26.

THE OIL-RICH Gulf Emirate of Abu Dhabi announced today a Dirhams 18.4bn. (\$4.8bn.) budget for the fiscal year 1976-77. The budget, the biggest ever in the Emirate's recorded history, is 35 per cent bigger than last year's budget.

It was approved by the ruler, Sheikh Zayed bin Sultan, who also is President of the federation that groups seven Emirates under the United Arab Emirates.

In announcing the new budget figure, Sheikh Zayed did not disclose details of expenditures or investments. The announcement merely referred to \$1.2m. allocated for a foreign aid programme.

Abu Dhabi, the largest and

richest of the seven member Emirates in the union, also contributed Dirhams 4bn. to the federal budget, to help out the poorer Emirates in the union.

Abu Dhabi's contribution amounted to 99 per cent of the federal budget. The rich Emirate has for years been instituting a dual budget system—one national and one federal—in order to avoid dissipating its own vast revenues from oil sales.

Abu Dhabi production of crude oil runs at a daily rate of 1.4m. barrels, according to an estimated \$4.5bn. annually for a population of 95,000, according to official statistics issued in 1975.

AP-DJ

## Sudan trial of 'mercenary invaders'

BY ALAN DARBY, OUR KHARTOUM CORRESPONDENT

NINETY-SIX PEOPLE are on trial here for their part in the unsuccessful attempt to overthrow President Jaafar Mohammed Nimir in a military coup earlier this month. The men, described as "mercenary invaders," are charged with waging war against the Government.

The men are being tried in two groups in special military tribunals and face the death penalty if they are convicted. Twenty more people, including former Col. Mohammed Nur Saad, are still awaiting trial.

### Defence pact

The attempted coup was firmly blamed by President Nimir on Libya and has resulted in the signing of a joint defence pact by Sudan and Egypt, to which King Khalid of Saudi Arabia has lent his support. According to various sources the Libyan Government attempted after the failure of a coup here last September to mobilise anti-Nimir groups in Sudan. It is said that because they failed to mobilise enough opposition they recruited a force of fighters among exiles from Chad, Eritrea, Mali, Zanzibar and other countries and by July this year about 1,500 with weapons and vehicles worth \$150m. had penetrated Sudan.

The first aim of the plotters was to assassinate President Nimir on his return from a trip to the U.S. and France on

July 2. But the President's aircraft arrived at Khartoum just a few minutes before the plotters. Despite his escape the insurgents pressed on with their attack, attacking barracks and other key installations in the capital. The failure to seize the airport and the damage they caused to Radio Omdurman prevented them from consolidating their position and the coup finally petered out two days later after very fierce fighting, in which hundreds of people were killed and \$300m. worth of damage was caused.

Egypt pledged its support to President Nimir during the coup and airlifted 1,500 Sudanese troops, deployed in Egypt, back to Sudan in 28 flights while the coup was going on. Now President Nimir has further strengthened his ties with Egypt. The joint defence agreement between the two countries has the right to intervene with force in the event of an attack on the other.

The agreement implies but does not specify that aggression must be external; it does not state that the other member must be invited before intervening. Thus both Sudan and Egypt get the right to postulate that the other is under attack. This is expected to mean that President Nimir will in future be able to count on the Egyptian armed forces coming to his aid in defeat. Since the President was in 1971—taken prisoner during a coup

attempt the absence of any need for him to request assistance before receiving it is significant.

From Egypt's point of view it is in President Anwar Sadat's interest to help Nimir stay in power. The latter has increased been consolidating Sudan-Egypt economic and political ties.

Mr. Sadat certainly has no reason to want him deposed in favour of a Libyan-backed regime which might be led by Nimir's bitter enemy, Sadiq el Mahdi, exiled leader of the banned Umma Party whose past stance towards Egypt was less cordial.

Egypt needs good relations with Sudan: the waters of the Nile are the lifeblood of both countries and Egypt depends on Sudan, through whose territory the river flows, to adhere to the Nile Waters Agreement which stipulates how much water each country may use. The joint defence agreement announced the defence agreement mentioned the vital role of the Nile Valley.

In addition, Egypt has no wish to see her southern neighbour again become dependent on the USSR for military aid. Most of the damage inflicted during the coup was to military targets, including aircraft and military spare parts, and stores at Wadi Saadna which apparently were targets of well-planned sabotage. Like Egypt, Sudan obtained most of her equipment from

USSR. Under the defence agreement umbrella Egypt will be able to replace some of Sudan's Soviet-made military hardware losses, pre-empting Sudan seeking USSR assistance.

A joint defence council, comprising representatives from both countries' defence and foreign ministries, and a joint Chiefs of Staff, are to be established and will meet regularly.

The three leaders are believed to hope that Saudi support for the defence agreement will be enough to make President Khadafi think twice before mounting further attacks. But informed Sudanese are sceptical as to whether the Libyan leader, after heavy investment in the July 2 affair, will throw in the towel so soon.

### Radio Tripoli

Sadiq el Mahdi broadcast over Radio Tripoli last week in words aimed to appeal to the football-loving Sudanese public saying that the July 2 attack was the work of junior players and that champions had yet to be sent on to the field.

It is now three weeks since the coup and commercial life has resumed although a noticeable air of tension remains. Radio Omdurman's daily announcement of an 11 p.m. curfew has become almost routine and highly visible day-time activities of security forces are part of the accepted scene.

## Timing of Tokyo air show plan prevents U.K. participation

BY CHARLES SMITH

NO BRITISH aircraft manufacturers will directly participate in the 5th Japan International Aerospace Show to be held in October, officially because the show has been timed too close to the Farnborough Air Show for aircraft and other exhibits to be moved to Japan.

The two companies which will represent Britain at the show, Rolls-Royce 1971 and GEC Marconi Electronics, will be showing aircraft engines and ancillary equipment rather than aircraft. The Hawker Siddeley Harrier will be on display because it is flown in Japan by the U.S. Marine Corps. But Hawker-Siddeley itself will have no representation except as one of the contributors to the European A300B Airbus.

The almost complete absence of British aircraft companies contrasts with a long list of 24 French aircraft manufacturers (including engine manufacturers and electronics companies). All the major U.S. aircraft manufacturers will be represented, except Lockheed Aircraft, whose name is temporarily becoming the symbol of high level corruption in Japan. Other countries taking part in the show include West Germany, Canada and Italy. The organisers (the Society of Japanese Aerospace Companies),

claim that the show opens the door to other Asian markets as well as that of Japan itself. Britain made a strong showing at the 1973 Japan Air Show (the last one to be held) with a British pavilion in which 17 companies were represented. Aircraft flown during the show included the Short Skyliner, Britten Norman BN-2A and the Hawker Siddeley Nimrod anti-submarine patrol aircraft. The cost of British participation in 1973 was estimated this afternoon at between £1m. and £1.5m. and may in retrospect have been regarded as excessive by companies concerned, as well as by official sponsors, or institutions.

The decision not to take part in this year's show was made about nine months ago by the Society of British Aerospace Companies. As a partial substitute for non-participation at the Tokyo show a British Aerospace exhibition was held last spring at the British Export Marketing Centre in Tokyo. It is also planned that an SBAC mission will tour Japan about the time the Tokyo Show is held.

Despite the fact that it is virtually ignoring the Tokyo Air show the British aircraft industry is trying hard to make sales in Japan and to involve the Japanese aircraft industry in joint production ventures. The

SBAC, while unable to craft and exhibition Japanese show bet closeness to its. Japanese air display to 121 is something (top-level) mission 1 October.

It will comprise several leading equipment companies of the main aims w cuss future collabor tures with the Ja space industry, both military program especially the form

The precise comp U.K. mission is no initiated, but cons phasis will be placed 10mics and equi equipment compa of the main aims w cuss future collabor tures with the Ja space industry, both military program especially the form

It is thought that much more value ca from a Japanese talks, than from ex work they do for aircraft, and so ar extend their links w

Michael Donne writes: The Tokyo last spring.

## Japanese may brew Guinness

BY OUR FAR EAST EDITOR

GUINNESS STOUT could become the first foreign beer to be brewed in Japan if demand for it keeps growing the way it has done in the past year or so. This is forecast by Sapporo Breweries, the giant Japanese brewery company, which at present distributes imported Guinness.

Sapporo estimates that Guinness sales will rise about 40 per cent this year to some \$5,000,000. If sales reach the 100,000 case level within the next three years or so Sapporo would probably start local manufacture under a licence agreement with Guinness. It would aim, by doing so, to reduce the cost of Guinness considerably and to achieve a further sharp rise in sales, perhaps to the level of 250,000 or 350,000 cases.

At present a standard sized bottle of Guinness sells for ¥230 (about 43p). A bottle of Sapporo lager beer costs ¥195. The Sapporo bottle is almost twice the size of the Guinness bottle, but the alcohol content of Japanese beer is considerably lower than that of Guinness.

The Japanese beer market is dominated by three or four major brands with Sapporo (the number two beer on the market) accounting for about 30 per cent of sales. This is a radically different situation from the one prevailing in the whisky industry where imported Scotch has carved a fair share of the top section of the market.

Guinness has until recently been drunk mainly by the older generation in Japan with a younger generation complaining that it is too bitter or objectionable to its dark colour. But there are

signs that tastes ar ing to change.

Sapporo says advertising of a com duct, Kiri Stout Guinness in Japan. Guinness sales this also done well even "half a ball" packs six bottles each of Sapporo lager wh mixed together (Sapporo calls "blue" Scotland Guinness) by executives in these for the past three claims that this is or to pay off.

Guinness is the foreign beer in Ja various European still made in Toky appears to be a lon in promoting sales of the country.

## DoT rejects industry claim on cheap Taiwan suit imports

BY RHYS DAVID

THE CLOTHING Manufacturers Federation, representing Britain's menswear trade, has been given a rebuke by the Government over its allegations earlier this month that men's suits were being imported into the U.K. from Taiwan at £2.10 each.

Mr. Michael Mescher, the Parliamentary Under Secretary for Trade, in a statement yesterday, said import statistics showed there had been no suit imports from Taiwan since February and that the suits in question were not conventional men's suits. He also rejected the "misinformed publicity" that had been given to the matter.

The Department, which has conducted an investigation into the CMTF's claim, said yesterday

the suits were evidently rain-suits used by fishermen, golfers, cyclists, yachtsmen, and other sportsmen. Mr. Mescher also said it was highly unlikely that the suits were being sold for prices as high as £40 as claimed in some reports.

He added: "I very much regret the misinformation publicity that has been given to this matter. It is reminiscent of the publicity given earlier this year about the £4.50 suit alleged to be flooding into the country from Hong Kong. In fact, no such suit had been imported and there was no way by which they could be imported."

The CMTF made its claim on the basis of import statistics from the Customs and Excise authorities which listed imports of 17,120 suits from Taiwan valued at £35,430 in the period January-

April. Despite laudal suits used by fishermen, golfers, cyclists, yachtsmen, and other sportsmen. Mr. Mescher also said it was highly unlikely that the suits were being sold for prices as high as £40 as claimed in some reports.

He added: "I very much regret the misinformation publicity that has been given to this matter. It is reminiscent of the publicity given earlier this year about the £4.50 suit alleged to be flooding into the country from Hong Kong. In fact, no such suit had been imported and there was no way by which they could be imported."

The CMTF made its claim on the basis of import statistics from the Customs and Excise authorities which listed imports of 17,120 suits from Taiwan valued at £35,430 in the period January-

## Canadian dumping move

OTTAWA, July 26.

FEDERAL REVENUE Minister Mr. Bud Cullen said an anti-dumping investigation has been started into imported yarns from Australia, West Germany, France, Hongkong, Italy, Japan, Switzerland, Taiwan and the U.S.

If the Department finds dumping has occurred, the case will go to the Federal anti-dumping tribunal to decide whether the dumping is harming Canadian industry and whether additional duties should be imposed.

Imports under investigation are already subject to a 180-day special surtax imposed on July 8 after the Textile and

Clothing Board complained that the domestic industry was being harmed.

Reuter

## Nigeria reassures

By Our Own Correspondent

LAGOS, July 26. NIGERIA has again attempted to reassure foreign investors that they are most welcome and that the Federal Government's recent decision to further indigenise businesses is not directed against any particular group.

Addressing ambassadors at the weekend external affairs commissioner Brigadier Joseph Garba said: "Although our policy is now 60 per cent participation in certain enterprises the Government still wants, and indeed expects, full involvement of foreign partners in these enterprises. No country can forever leave its economy solely in hands of foreigners and no self-respecting government can afford to ignore or abandon its responsibility in this regard. Our policy on participation is not right or left, capitalist or Communist, it is purely and simply designed to benefit Nigeria and friends of Nigeria."

## GO GREEK TO THE GULF

Olympic Airways will now fly you to Gulf in style via Athens.

Flights depart at 11.40 from Heathrow Dubai each Monday, Wednesday, Friday and Sunday.

Dhahran: each Monday and Friday.

Kuwait: each Wednesday and Sunday.

Come and sample our traditional Greek hospitality on this new service. Just ask your agent for full details or call Olympic Airways.

**OLYMPIC AIRWAYS**  
The National Airline of Greece.

London Olympic Airways Building, 10 New Bond St., London W1Y 0BS Tel: 01-493 7261  
New York Olympic Airways Building, 100 Rockefeller Plaza, New York 10101 Tel: 212-693 1000  
Manchester Olympic Airways Building, 100 Market Street, Manchester M1 1PL Tel: 061-275 1000



**ARTHUR SMITH, INDUSTRIAL STAFF**

**JR BELFAST CORRESPONDENT**

**Y DAFTER, ENERGY CORRESPONDENT**

**DAILY TIMES REPORTER**

BY A. H. HERMANN

livestock

ent of the Hughes

standing, 

information re

BY DAVID FISHLOCK, SCIENCE EDITOR

om, The Chief Cashier;

**FFI  
FIXED INTEREST  
FIXED TERM  
DEPOSITS.**



# BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

## HAVE YOU THE PRODUCTS WE NEED? HAVE WE THE SALES FORCE YOU NEED?

We have a trained and effective national sales force selling welfare and hygiene products to industry, commerce and local government. Our sales have grown rapidly in recent years and we are eager to continue this growth with additional products or services of interest to over 20,000 customers.

Do you have a distinct product plus a belief in service? Is your main constraint the difficulty and high cost of selling in? If so, we would like to talk to you about the intensive and effective national sales coverage that we can offer. Marketing, warehousing, distribution and exclusive facilities can also be included. We would require sales exclusively in the U.K.

Please write in confidence to the Managing Director, Box E.8374, Financial Times, 10, Cannon Street, EC4A 3DF.

## ATHENS

### OFFICE WITH LIVING ACCOMMODATION

Greek Company with British Associations has available 200 sq. m. flat, situated in the most pleasant residential part of Athens, currently divided into office and living accommodation complete with tele and three telephone lines. Ideal for a Representative of a bank or a Foreign Corporation wishing to establish a local office. Cost negotiable according to requirements. Secretarial services can be made available. For details telephone Athens 744710 before noon London time.

## Polythene Packaging Manufacturers

with cash-flow problems, turnover rising to £1 million, seeks investment in return for substantial portion of its equity.

### MODERN FACTORY AND MACHINERY

Please write to Box E.8383, Financial Times, 10, Cannon Street, EC4A 3DF.

## TRADING COMPANIES

A merchant group wishes to acquire, for cash, majority holdings in U.K. based trading companies with pre-tax profits of £30,000+. The group, itself privately controlled, recognises the value of good independent management and can provide financial strength, worldwide connections and management advice.

Contact principal direct: P. E. Buckman, 6th Floor, Abford House, 15, Wilton Road, London, SW1V 1NE. 01-828 3315.

## HOLIDAYS AND LEISURE

Advertiser would be interested to hear of any business or proposition involving holidays or travel (or any other leisure activity) in need of equity funds. Established businesses preferred. Outright purchase considered subject to retention of on-going management. Write Box E.8388, Financial Times, 10, Cannon Street, EC4A 3DF.

## CASH COMPANY

Private Limited Company for sale with liquid assets in excess of £150,000. Enquiries are invited from principals only to: Box E.8403, Financial Times, 10 Cannon Street, EC4A 3DF.

## REQUIRED TAX LOSS

building and contracting companies. Details marked "private and confidential" to the Company Secretary, Box E.8401, Financial Times, 10, Cannon Street, EC4A 3DF.

## £100,000

CAPITAL REQUIRED for expansion of successful business. Write Box E.8361, Financial Times, 10, Cannon Street, EC4A 3DF.

## FOR SALE

Company manufacturing equipment which extracts protein juice from vegetation for animal and human use. Write Box E.8409, Financial Times, 10, Cannon Street, EC4A 3DF.

## EXPORTS TO WEST GERMANY

British Company seeking small office in Düsseldorf, is interested in finding partners to share the cost of office space, secretarial assistance, telephone, etc. Write Box E.8390, Financial Times, 10, Cannon Street, EC4A 3DF.

## PRESSWORK AND LIGHT FABRICATION COMPANY

Modern factory, 15,000 sq. ft., wholly owned, North Staffs Region. Seeks association with company in similar field, with a view to lease/lease (building/leasing) of existing facility to maximise full potential of present turnover. All reasonable offers considered. Write Box E.8382, Financial Times, 10, Cannon St., EC4A 3DF.

## DIRECTORSHIPS SOUGHT

Chief Executive and Managing Director, now Management Consultant, is interested in non-executive Directorships. Experience of manufacturing industry, home and export sales. Technical Products could be of interest. Write Box E.8397, Financial Times, 10, Cannon Street, EC4A 3DF.

IBM ELECTRIC TYPEWRITERS. Factory recommended and warranted by IBM. Buy - save up to 30%. Lease - from £75 per month. Finance - from £1,000. INVOICE DISCOUNTING. Factoring. EFT. Savings the best facility at the lowest rate at no extra cost. A Tutor House, South Wales. Write Box E.8385, Financial Times, 10, Cannon Street, EC4A 3DF.

## BUSINESS AND INVESTMENT OPPORTUNITIES

### APPEAR EVERY TUESDAY AND THURSDAY

Rate: £4 per line, £13 per single column centimetre. Minimum 3 centimetres.

For further information please contact:

MR FRANCES PHILLIPS  
01-248 8000, ext. 456

## IRANO BRITISH BUILDING PRODUCTS LTD.

### TEHERAN

Joint company of prominent Iranian business interests and major U.K. industrial group has Teheran office, showroom and warehouse selling to construction and engineering. Willing to take on selling agencies for other related U.K. products and services.

Write to:  
IBBP Ltd.,  
Headland House, 54 New Coventry Road,  
Sheldon, Birmingham B26 2AZ.

## PETER J. GARRINI & ASSOCIATES LTD.

A Proven, Powerful Influence  
In Engineering Sales Representation

Peter J. Garrini & Associates Ltd.,  
130A Burnt Oak Broadway, Edgware, Middx.  
01-952 6626.

## EXPAND INTO EUROPE BELGIUM

Unique opportunity to acquire an established Carpet and Wallpaper retail business situated between Antwerp/Brussels. Attractive freehold premises, stores and luxurious two-bedroomed apartment, built in 1972. Ample car parking, plus land for future development. Full details to principals only. Write to Box E.8389, Financial Times, 10, Cannon Street, London, EC4A 3DF.

## International Consumer Product

Company owning relatively new yet well proven and highly topical consumer product with international mass market appeal, currently distributed nationally through pharmaceutical wholesale and retail trade and having substantial export contracts and enquiries and new product in process of development, seeks company/individuals with experience in developing full potential. Part equity available or may consider outright sale.

Principals only. Write Box E.8398, Financial Times, 10, Cannon Street, EC4A 3DF.

## RETAIL CONTROL SYSTEMS LIMITED

This company which is already established as a major supplier of special computing equipment for petrol filling stations is now seeking a team to market, design and install systems for stock and accounting control of retail stores. Applications invited from individuals or companies.

Write to: The Chairman,  
RETAIL CONTROL SYSTEMS LIMITED,  
Gresham House, Twickenham Road, Twickenham, Surrey, TW13 5HA.

## IS MARKETING YOUR PROBLEM?

Long established British Company with young active sales force selling to all Building Industry, Leisure and D.I.Y. outlets is looking for new products to add to its range. Bulk stockists facility available and distribution nationwide throughout the U.K. Write to Box E.8395, Financial Times, 10, Cannon Street, EC4A 3DF.

## PUBLIC COMPANY

(quotation temporarily suspended) with cash of approximately £150,000 seeks reverse takeover of private company with growth prospects which is likely to be making a current profit before taxation in excess of £40,000 per annum. Write to: Corporate Finance Department, Charterhouse Capital Limited, 1, Paternoster Row, St. Pauls, London EC4M 3DF. Reference ESN/MKH/7718.

## HIGHLY SUCCESSFUL PRACTICAL BUSINESSMAN

Commerce graduate, who has built small private business to public company and has extensive experience as company director in financial, manufacturing or other business problems. Finance available for working capital. Write Box E.8392, Financial Times, 10, Cannon Street, EC4A 3DF.

## BUSINESS GERMANY

The turnover of many English companies in Germany is limited by lack of presence within the country. We will act as your German office or set up your own company. Write outlining your requirements to: Box E.8393, Financial Times, 10, Cannon Street, EC4A 3DF.

## SMALL COMPANY

with retail shops seeks finance to help with expansion into present market. This is required to assist stock analysis and controls, resulting from increased outlets and revenue. We would be pleased to assist any genuine enquiries. Write Box E.8395, Financial Times, 10, Cannon Street, EC4A 3DF.

## ANGLO-ARAB ORGANISATION

requires agencies for products and equipment in the construction engineering fields for the U.A.E. and Kuwait. Write Box E.8314, Financial Times, 10, Cannon Street, EC4A 3DF.

## ASSOCIATED INSURANCE BROKERS

In Mayfair wish to acquire a small general brokerage, preferably with some like portfolio. Enquiries invited from those with a general business premises income in excess of £50,000. Reply giving full details to Box E.8394, Financial Times, 10, Cannon Street, EC4A 3DF.

## AGENTS REQUIRED IN THE U.S.A.

Prominent manufacturer of electrostatic paint and powder coating equipment and other ancillary equipment requires active agents in the U.S.A. Agency fees by negotiation. Write Box E.8385, Financial Times, 10, Cannon Street, EC4A 3DF.

## CHELSEA

designers' consortium seeks amalgamation or participation. Currently with 9,000 sq. ft. of light industrial or showroom space to let. Principals need only reply, stating their main interest. Write Box E.8394, Financial Times, 10, Cannon Street, EC4A 3DF.

ONE WEEK FOR ECU... Write Box E.8394, Financial Times, 10, Cannon Street, EC4A 3DF.

## HOME NEWS

### NEWS ANALYSIS—LLANWERN

# A new temper in steel

BY IAN HARGREAVES

LLANWERN'S industrial relations are a by-word for disaster and, like most larger-than-life reputations, this one consists of a thick cloud of fiction on a bed of unassailable fact.

The facts are that since the steelworks began production in 1962, the British Steel Corporation's attempt to drive output towards a projected 3.5m. ingots per year by a process of rolling investment, has frequently been blown off course. In not a few cases, the blame for this could be, and was laid squarely at the door of the 10,000 workers and their managers who, three years ago, appeared incapable of settling anything without a fight.

But in the past 18 months, Llanwern's strike record, apart from the blastfurnace episode, is no worse than that of most plants in the corporation.

This year, Llanwern has not had a strike worth mentioning, an achievement aided no doubt by the generally pacifying effect of pay policy, but registered nonetheless in a period when other plants have fared under the acute pressure of the de-maning issue and the cutting of premium week-end shifts.

Even so, the plant has not avoided the limelight. First came a report on manning comparisons between Llanwern and the Belgian steelworks at Sidmar. The report, produced for internal use by the corporation, showed that Llanwern employed almost 10,000 men to do a

broadly similar job to Sidmar's 9,000. The union, angry at not having been consulted or even informed about the study before its completion, was further enraged when BSC appeared to cooperate in a BBC television film based on the report.

More recently, Llanwern's record has faced inspection over the current shortage of cold reduced steel, of which it is BSC's major producer. Following an announcement by the Society of Motor Manufacturers and Traders that it was importing 45 per cent of its cold reduced against a usual 15 per cent, Mr. O. G. S. Waterstone, BSC managing director (commercial), said in a radio interview that demand would be met "provided that we get good working".

The obvious interpretation was immediately placed on these words: Llanwern's labour relations again threatened productivity targets.

In South Wales this week it was being stressed that Mr. Waterstone's remarks referred primarily to good working in the sense of efficiently synchronised operation of the newly-commissioned part of the plant, including the large, Scheme C blastfurnace, which is currently producing less than half its specified capacity. Mr. Peter Allen, managing director of the corporation's Welsh division, is

convinced that the policy was authorised on the grounds that it involved no threat for new jobs, but as one

craft union leader in South Wales put it: "There has to be a way of reckoning on that."

For the present, the indications are that the unions are for the most part prepared to sit back and let the corporation manage its own affairs. The expectation that Stage Three will allow bargaining on restoration of differentials. Some claims are still the subject of negotiation and one of them, a demand for a restoration in the wages league of blastfurnace foremen (members, not of the NUB, but of the larger Iron and Steel Trades Confederation) was the cause of a walkout a few weeks ago.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

The joint committee of inquiry into Llanwern's industrial relations concluded that the difficulties would be "largely resolved with the completion of Scheme C."

The works now faces the most crucial 12 months in its 14-year history in establishing whether that forecast will prove accurate.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

The joint committee of inquiry into Llanwern's industrial relations concluded that the difficulties would be "largely resolved with the completion of Scheme C."

The works now faces the most crucial 12 months in its 14-year history in establishing whether that forecast will prove accurate.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

The joint committee of inquiry into Llanwern's industrial relations concluded that the difficulties would be "largely resolved with the completion of Scheme C."

The works now faces the most crucial 12 months in its 14-year history in establishing whether that forecast will prove accurate.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

The joint committee of inquiry into Llanwern's industrial relations concluded that the difficulties would be "largely resolved with the completion of Scheme C."

The works now faces the most crucial 12 months in its 14-year history in establishing whether that forecast will prove accurate.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

The joint committee of inquiry into Llanwern's industrial relations concluded that the difficulties would be "largely resolved with the completion of Scheme C."

The works now faces the most crucial 12 months in its 14-year history in establishing whether that forecast will prove accurate.

The fact that the men were back at work within 24 hours, though, says something for both the higher degree of trust which now exists within the works and the responsibility exhibited by full-time union officials.

What of the future? The achievements of the last 18 months, however embryonic, have been recorded in a period when the labour force has been reduced by over 1,000, to around 9,000, under the pressure of the most severe recession in the industry's history.

## British Airports Authority makes record £16.8m.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRADING PROFITS of the British Airports Authority rose more than 60 per cent in 1975-76 to a record £16.8m. Net profit, after interest, tax and other items, was £12.2m.

BAA's profits made a profit every year since its establishment in 1966.

Revealing these figures in its annual report for 1975-76, issued yesterday, the BAA (which owns Heathrow, Gatwick, Prestwick, Stansted, Glasgow, Aberdeen and Edinburgh airports), said it was due to profit on commercial operations (such as duty-free shops and concessions, sold at airports) of £19.8m, offsetting a loss on traffic operations (such as landing fees) of £7.6m.

Mr. Nigel Foulkes, the chairman, said the BAA had made its money on commercial activities "and to hold landing fees at a level which makes a small return on the current investment in traffic services."

The bulk of our future investment is financed, of course, on the basis of the travellers' flight tickets, not by large loans of taxpayers' money, but by the passengers' voluntary purchases in our airports."

The BAA handled nearly 31.5m. passengers at its seven airports last year, and 696,000 aircraft movements. It handled 327,000 tonnes of cargo and 54,000 tonnes of mail. Staff was 5,114, a rise of 7.5 per cent on the previous year.

The growth of 6.7 per cent in passenger traffic brought the airport to a level three per cent above that reached in 1973-74, before the oil crisis and the world economic recession.

The number of aircraft movements fell 1.5 per cent, reflecting the airlines' efforts to improve their load factors by the use of large, wide-bodied jets.

Switch. Mr. Foulkes said in the past two to three years there had been a dramatic switch in pressures from runways to terminals, because of this emphasis on wide-bodied aircraft. The BAA was concentrating on the provision of adequate passenger handling facilities.

Mr. Foulkes said the BAA was pressing on with the remainder of its £70m. expansion programme at Gatwick to equip that airport for 16m. passengers a year against the current 5.5m.

Improvements were being made to the three terminals at Heathrow. A fourth terminal, planned in the 1960s to enable the airport to cope with 33m. passengers a year against the present 22m.

In Scotland the three lowland airports at Glasgow, Prestwick and Edinburgh will be capable of handling three times the present traffic of 3.5m. passengers by 1977.

The Scottish airports division is expected to make a reasonable trading profit in the near future, as a first step towards becoming financially self-sufficient.

Commenting on criticisms that Heathrow had become nicknamed "Thiefrow", Mr. Foulkes said that out of 25m. of cargo and 22m. of baggage handled last year, every year only £3.8m. (0.08 per cent) was stolen. Of this £3.8m. was recovered.

As to the loss on Heathrow, he said for every 1m. passengers it handled there were 1.8m. "meeters and greeters" resulting in some times unmanageable pressures on the access tunnel and in the central area.

The BAA was considering a toll gate system on the M4 spur into the airport as a means of controlling traffic flows. It was discussing with the airlines the possibility of some of them transferring all or part of their operations to Gatwick.

More Birmingham flights. BRITISH Midland and British Airways, jointly running the Birmingham-London commuter air service, are to increase the number of flights to meet demand.

Mr. Michael Bishop, managing director of BMA, said that company, with 40,000 passengers in 1975, had a total of over 100,000 this year and further rises are anticipated.

Subject to CAA approval, from September 1 there will be five flights a day in each direction, giving departures from both Birmingham and London every 2½ hours through the day.

Many passengers use the service to connect with flights at Heathrow to overseas destinations. The growing use of the National Exhibition Centre has contributed greatly to this.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

## Frost group statement on accounts

Financial Times Reporter

EQUITY ENTERPRISES, the entertainment concern in which Mr. David Frost and Slater Walker Securities both have large stakes, is making a statement later this week about its long-ordered accounts.

The statement is expected also to give details of the proposed reconstruction of the company, whose Jacobs, Kroil banking subsidiary collapsed last year.

A fortnight ago, Mr. Stanley Clinton Davis, Under-Secretary for Trade, warned that if the accounts of the company, which were last lodged on November 23, 1974, covering the period to December 31, 1973, were not filed with the Companies Registration Office within two weeks, the Department of Trade would initiate proceedings under section 148 of the Companies Act 1947.

A spokesman for Equity Enterprises said yesterday that the company had not met the deadline, but had "been in touch with the Registrar and gave our explanation, which was accepted."

Reconstruction. The reason for the delay is that the negotiations for the reconstruction of the company, sparked off by the decision last November to put Equity Enterprises' banking subsidiary, Jacobs, Kroil into liquidation—and involving the capitalisation of £2m. of partly convertible loan stock held by Slater Walker Securities—have not yet been completed.

Equity Enterprises' interests include Hemdale Leisure, which is involved in film production and distribution and a book-making chain.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

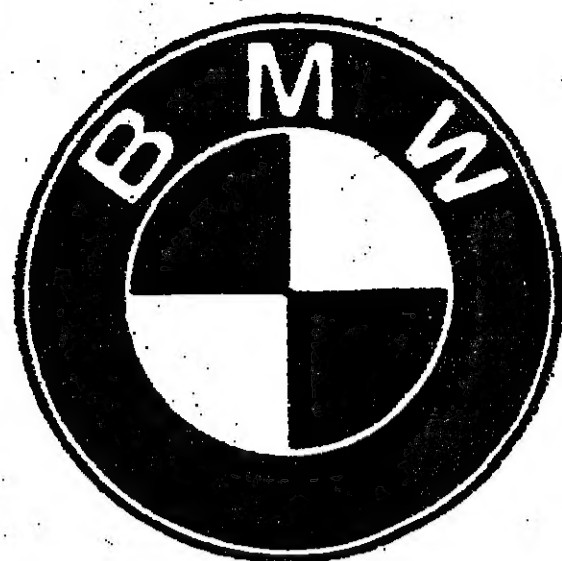
Equity Enterprises' share quotation has been suspended on the Stock Exchange since April 1975, when negotiations were first announced for the sale of 40 per cent of its 88 per cent holding in the B.S. subsidiary, Hemdale Leisure, to Equity Enterprises Incorporated, to Slater Walker Canada for \$4.25m.

Re-organisation of the company will also include a change of name of the company to Hemdale Leisure.

## Forestry plan could create 100,000 jobs

EXPANSION of Scotland's forestry industry could create 100,0

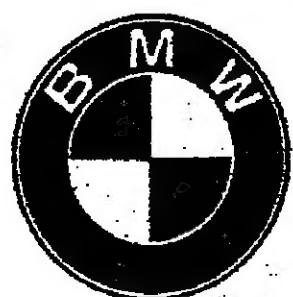




The Directors of BMW (GB) Ltd  
would like to thank  
**LEYLAND CARS** for their  
gracious support in bringing  
the qualities of the BMW320i  
to the notice of our  
valued friends and customers  
in their current advertisements.\*

**\*Facts from What Car?**

The only leading magazine to have road-  
tested both cars.



BMW Concessionaires (GB) Ltd.  
BMW House, 991 Great West Road,  
Brentford, Middx., TW8 9ED.  
Telephone: 01-568 9155.

	<b>0-60 mph</b>
<b>BMW320i</b>	8.6 secs
<b>Triumph Dolomite Sprint</b>	9.2 secs

FOR THE JOY OF MOTORING







## PORT

## Britain's eyes on Jenkins

A GREAT concrete Olympic n waits for the unwary. oner had the pundits shuffling to the conclu at it was slow—a notion in inconclusive data from t of the prelimina- than it clamped its jaws is quibblers, chewed r, and began to spit out eords.

Siba stadium continues rate controversy. Many it as the most remark- the monuments to what n visitors from most- er refer to as Montreal's Complex—an astonishing- tion built for about a seat, in which some 'joins' in the roof fall

ow it is not. No sooner negret Richter of West y, trimmed six-bun- of a second off the ; 100-metre world record y semi-final (the later -gold medal in a mere 11.08) than Cuba's Juantorena lowered the eord for 800 metres by e of a second to 45.5 seconds.

soner had Juantorena, hrows flickering with nished blowing kisses e senioritas in the crowd long-legged American Moses, a no-nonsense if ever there was one, s only 13 strides be- ghts all the way, clipped o-tenths of a second off i-Bus's world mark and eard and won easily



id with records like e stadium eased back- eat concrete legs and 1 what to permit next, minutes 10 seconds in- metres? A 400 metres 57.7 A run of 32.00 from e record holder John if New Zealand, in the es final.

il have to wait and see, o weather stays as cool f the temperature and on the windless floor aena remain as low as n been, records will to fall.



David Jenkins

## 76 MICHAEL THOMPSON-NOEL REPORTS FROM MONTREAL

Juantorena's run in the 800 metres was especially remarkable. That he was in the race at all was something of a cheek, for on the run-in to the Olympic, the Cuban had said that his only target was the 400 metres (where he must pick up another gold medal), and that he would side-step the 800.

That was, clearly, a ploy. His performance in the 800 metres final, leading from start to finish, had strong men like Belgium's Ivo Vandamme (1-43.58), America's Rick Wohlhuter (1-44.12) and West Germany's Willie Nuebelbeck (1-45.28) sagging and broken at the finish, even though their own times were highly respectable. Juantorena simply tossed them in the air.

Britain's Steve Overt, still only 20, still immature and with a great deal to learn (Juantorena is 25) ran a best-ever 1-45.44 but could not cope with the way the Cuban hauled the field through the first 400 metres in 50.86 and

clocked 1-18.75 at 800 metres. To-day is a rest day in athletics. It resumes to-morrow with three cumulative finals—the men's 110 metres hurdles and 3,000 metres steeplechase, and the women's 200 metres—plus the heats of the 5,000 metres and the semi-finals of the men's 400 metres.

What will Juantorena get up to in the 400? Britain's hope in this event is David Jenkins, 6ft 3in, 186lb top-ranker in the world in 1974, who missed a medal in Munich because of a cold but won the U.S. championship last year and trained this spring in southern California.

The last European to win the Olympic 400 was our own Eric Liddell back in 1924. Skimming through the Guinness Book of Olympic Records, an admirable publication, one sees that Liddell beat an American and another Briton, Guy Butler, in the then-revolutionary time of 47.8 seconds. The winning Olympic time in

the event was carried below 45 seconds by George Rhoden in 1952, and below 44 seconds by Lee Evans of the U.S. in 1968. Evans' world mark of 43.8 still stands.

Some statistical sleuthing in the U.S. this year suggested that the times for all foot races were improving at a steady and predictable rate per decade, and that by the year 2028 the world record for 400 metres would stand at around 41.32 seconds, an improvement of 12 per cent. on the 46.94 record of 50 years ago.



That is all very well, but of no immediate refreshment to David Jenkins, who is merely wondering what sort of time Juantorena will throw at him in the final at this year's Olympics, assuming they both figure in it.

Juantorena, who cuts sugar cane for a living, has run 44.70 seconds in the 400 already this year, but he is not Jenkins's only worry. The European challenge, to say nothing of the American, is unusually formidable. It includes Belgium's Alfons Bridenbach—mature, intelligent, with a personal best of 45.00—and West Germany's Karl Hons, who has done 44.70.

Jenkins, European champion at 19 and now 24, has a personal best of 44.88 (the U.K. record) under his belt but has not bettered 45.00 this season. In a clash with Bridenbach in Brussels at the end of June, Jenkins was just beaten by a minor hamstring strain in the last few strides.

His injuries this spring have been minor, far less serious than those of Alan Pascoe, who, nonetheless, battled bravely into the final of the Olympic 400 metres hurdles, in which he finished last but unbowed.

In the wake of Overt's eclipse in the 800 metres, and the puzzling "failure" (he was sixth) earlier of Geoff Capes in the Shot, Jenkins is the man to whom we must look if the achievements of our distance runners are not to stand out in desperate isolation on the brick-track. The stadium is fast. How about our runners?

BY TREVOR BAILEY

CKET

## England, five down, still need 114

DERFUL day's cricket ends with England's batsmen in a sorry state. First, England's two quick wickets, to by a bamboozlingly successful recovery for 15 in one over after he had been recalled.

His fine innings, which included sweeping an over from Woolmer that would have hit the middle stump, was ended by a good ball from Snow which took the outside edge.

Just before lunch Willis, back again, struck Murray on the hand with a sharp lifting ball and clean-bowled him with his next delivery.

After the interval, Willis quickly mopped up the tail to finish with five for 42 and the tourists were all out for 166.

England came out needing 260 for victory and Roberts immediately produced a very menacing first over, in which Steele was caught for 0 off the last ball.

This wicket gave Roberts his 100th in only 19 Tests.

He struck again in his third over, having Hayes caught in the slips, driving at a wideish half-volley, for a duck. Before the end of a splendid opening spell, the West Indian fast bowler secured his third victim, Balderston, and must have come very close to having Willis lbw with the next delivery.

At the other end, neither Holding nor Daniel were as threatening, but credit must go to Woolmer, who battled with skill and determination.

Woolmer, who wobbled the ball about, and Ward. The latter dismissed the West Indian captain when he edged an intended drive. However, there was no stopping the ebullient King, who hit Snow for 15 in one over after he had been recalled.

His fine innings, which included sweeping an over from Woolmer that would have hit the middle stump, was ended by a good ball from Snow which took the outside edge.

Just before lunch Willis, back again, struck Murray on the hand with a sharp lifting ball and clean-bowled him with his next delivery.

After the interval, Willis quickly mopped up the tail to finish with five for 42 and the tourists were all out for 166.

England came out needing 260 for victory and Roberts immediately produced a very menacing first over, in which Steele was caught for 0 off the last ball.

This wicket gave Roberts his 100th in only 19 Tests.

He struck again in his third over, having Hayes caught in the slips, driving at a wideish half-volley, for a duck. Before the end of a splendid opening spell, the West Indian fast bowler secured his third victim, Balderston, and must have come very close to having Willis lbw with the next delivery.

At the other end, neither Holding nor Daniel were as threatening, but credit must go to Woolmer, who battled with skill and determination.



Out goes the tail. Willis takes the wicket of West Indies' bowler Andy Roberts.

He found in Willey a useful and positive ally. Together they took the score past 80 and when tea was taken five minutes early, because of bad light, they were undefeated.

The poor light delayed the restart for 15 minutes, when Woolmer and Willey resumed their partnership against the bowling of Holder and Holding. This was rather surprising, considering that Roberts had been the destroyer in the afternoon.

Holder was always accurate and Willey had some uncomfortable moments, but it was Woolmer who eventually departed first, lbw for a pleasing 37. The arrival of his captain seemed to inspire Willey to greater activity, with the result

that runs suddenly began to arrive in something approaching a rush. Several handsome boundaries were scored and the 80 stand took only 37 minutes.

At this stage the bowling was beginning to become a little loose, until 6.15 when Willey was well caught for a most impressive 46. Nightwatchman Underwood came in and five minutes from the end was forced to fend off an unpleasant Holding bounce.

As a result of this the umpires immediately decided to come off for bad light, with England 146 for five and Greig 35 not out.

The odds must now be in West India's favour, but an English victory is certainly not beyond the bounds of possibility.

INTMENTS

## Executive changes in GKN Group

James, assistant manager of the pressings was been appointed to GKN SANKS from Mr. F. J. Scouse has joined the company from Mr. Scouse was pread of corporate audit roup he-departures.

When have been corporate staff direc- Group headquarters, t. Hobson becomes cor- it director—personnel Mr. Hobson has rejoined v- previously been tive director of GKN Supplies and Services) dard Telephones and Mr. A. J. Broom has oined corporate staff untomotive sector from Mr. Broom was pread—financial analysis, headquarters. Mr. D. B. made Group finance (corporate staff direc- the same date. Mr. D. B. previously director, con- id secretary of GKN

Glendham, managing of ATV Network, is to Mr. John Freeman, of the INDEPENDENT ON COMPANIES ASSO- COUNCIL on July 30. Tesler, managing direc- don Week-end Tele- conies chairman of the Programme Committee sion to Mr. George

Cooper on the same date, Mr. Paul Fox, managing director of Yorkshire Television, continues as the Committee's deputy chairman.

BRITISH BROADCASTING CORPORATION, Mr. E. P. Chapell has been appointed a Governor of the Corporation until July 31, 1977, in succession to Lord Allan of Kilmalesh, whose term of office has expired.

Mr. Neil Cherrett has been appointed managing director of Head Wrightson Process Engineering (Thornaby division). He was previously director and general manager. Mr. Robert Bart, who has been managing director of Head Wrightson Process Engineering division, was previously director and general manager. Mr. Robin Millman has been appointed commercial director of Head Wrightson Process Engineering, and retains his post as secretary. Mr. D. P. Jovett has become director of Head Wrightson (Management). He retains his position as secretary of HEAD WRIGHTSON AND CO. Mr. William Fortune has been appointed manufacturing division accountant of Head Wrightson Teesdale Grosvener (Steel Fabrications and Pardon Engineering Co. He retains his position as financial director of Head Wrightson Teesdale.

Mr. Keith Showers, chairman of Allied Breweries, has been appointed a director of TOOEYS

the Sydney (Australia) brewing company, consequent upon the resignation of Sir Gerald Thorley from the Tooeys Board.

Dr. J. M. Butler will become chief executive of McKECHNIE BROTHERS on November 1 on the retirement of Dr. N. Swindells, who is relinquishing his appointment as chairman of McKechnie Britain from August 1 in favour of Dr. Butler.

Mr. William G. Entler, presently manager of North of England Newspapers, Darlington (a division of WESTMINSTER PRESS) will succeed Mr. Francis Wilcox as managing director from August 16. Mr. Ronnie Orr will succeed Mr. Bernard Fisher as director and general manager of the Westmorland Gazette (a division of Westminster Press) and will in turn be succeeded as director and general manager of the South-East London and Kentish Mercury by Mr. Andy Hughes, at present deputy to the group managing editor of Westminster Press.

BAIRD-ATOMIC, which recently announced its acquisition of Shandon-Southern, has announced the addition of two members to its Board. They are Mr. Richard S. Voke, vice-chairman of Hill Samuel and Co., and Mr. H. M. S. Davis of Plantation Holdings.

Mr. Alan Crisp has been appointed managing director of

BROWN BROTHERS, the distribution subsidiary of Brown Brothers Corporation. Mr. Crisp joined Brown Brothers as a management trainee in 1959. He was appointed general sales manager in 1973, and became branch and sales director the following year.

Mr. Douglas Pike and Mr. David Loveridge have been appointed to the Board of STEPHENSON CLARKE INDUSTRIAL FUELS (Powell Duffryn Group). They are promoted from regional directorships of SCIF—Mr. Pike for the South of England and Mr. Loveridge for the North.

Mr. J. Minihane and Mr. W. Sauton have been appointed directors of RICHARD JAMES (WESTMINSTER), a member company of the services division of the Minter Group. Mr. W. P. Allen, previously managing director of Richardson James and a director of Minter International, has joined F. C. Foreman and Partners, consulting engineers, as senior partner.

Dr. D. H. East has been appointed managing director of HENRY BOOT ENGINEERING, part of the Henry Boot Group. A director of Henry Boot Engineering for several years, Mr. Boot also held the post of management services director to Henry Boot Construction for five years. He will retain his directorship of Henry Boot and Sons, parent company of the group.

Mr. Alan Crisp has been appointed managing director of

BAIRD-ATOMIC, which recently announced its acquisition of Shandon-Southern, has announced the addition of two members to its Board. They are Mr. Richard S. Voke, vice-chairman of Hill Samuel and Co., and Mr. H. M. S. Davis of Plantation Holdings.

Mr. Alan Crisp has been appointed managing director of

## LABOUR NEWS

## Union designation poser for generating board

BY OUR LEEDS CORRESPONDENT

THE Central Electricity Generating Board is reviewing its system of determining which of its 38,000 manual workers are members of recognised unions. The previous practice of relying on trade union officials drawing the board's attention to non-members was not satisfactory.

Mr. Christopher Carr, counsel for the Board, told an industrial tribunal yesterday at Leeds, The tribunal, which sat for almost three weeks last December to hear complaints that six members of the tiny Electricity Supply Union had been unfairly dismissed from Ferrybridge "B" power station, South Yorkshire, for refusing to join any of the power generating industry's four recognised unions, had been reconvened at Leeds to hear legal arguments over the appointment of "contributions" towards dismissal in awarding compensation to the six men.

The "Ferrybridge Six" are: Mr. William Sarvent, general secretary of the union; Ian Conrad Smith; Mr. Desmond Palmer; Mr. Trehan Morgan; Mr. Robert Holliday; and Mr. Clifford Mathers.

Their solicitors had agreed with the Board's solicitors that maximum compensation which could be awarded to each man was: £3,420 to Mr. Sarvent; £2,150 to Mr. Holliday; £2,840 to Mr. Morgan; £2,900 to Mr. Mathers; £1,550 to Mr. Palmer;

and £7,850 to Mr. Smith. In Mr. Smith's case compensation awarded by the tribunal would not exceed the legal maximum of £5,200.

The board was seeking to reduce the compensation awards by asking the tribunal to apportion a degree of contribution by the men towards their own dismissal.

Mr. Carr said that the board maintained the men had contributed to their dismissal by refusing to join one of the four recognised unions who are party to the industry's national joint industrial council when:

1—it was an obligation of their contract of employment that they belong;

2—they were given every encouragement and opportunity to join;

3—they did not advance satisfactory reason for not joining;

4—they had no reasonable ground for thinking they need not join;

5—when, as the tribunal had held, the only thing which made their dismissal unfair was not the board's conduct towards the six applicants but was the board's failure to satisfy the tribunal that it behaved towards other employees in the same way that it behaved towards the six.

Mr. Carr recalled that the tribunal had held the men to be unfairly dismissed because they had been treated in a manner

to which non-members of the four unions in the joint council were treated. "These employees could have been dismissed perfectly fairly with not a single change in the board's behaviour towards these six if only the board had proved that it had behaved in a certain way towards other people in other places," he said.

Proposals

The board, he agreed, had relied on officials from the four recognised unions to point out that the Ferrybridge Six were not members of their unions. "The board has now before it proposals for improving this system and the matter is under consideration," said Mr. Carr.

Mr. Alan Pardoe, Q.C., appearing for the six applicants, maintained that in assessing the applicants' contribution towards dismissal, blameworthiness had to be considered. "It can only be just to reduce a man's compensation because of something he has done or failed to do if he can be said to be blameworthy."

But said Mr. Pardoe, the central feature was their selection from among others who were not in the unions of the joint council. "Without that initial selection no dismissal would have taken place."

The tribunal adjourned.

## BBC row over sacked radio man may spread

By Alan Pike, Labour Staff

NATIONAL Union of Journalists' representatives in BBC radio and television will meet today to discuss extending the dispute over the dismissal last week of a member of the union's executive.

Mr. Denis MacShane, broadcasting member of the NUJ executive, lost his job with BBC Radio London after making a remark about Mr. Reginald Maudling while telephoning one of his station's phone-in programmes posing as a member of the public. He made the call at the request of a producer, who has been reprimanded.

Support

About 20 NUJ members at Radio London have been on strike since Thursday in support of Mr. MacShane and are picketing the studios in Marylebone. They say they will not return to work until he is reinstated and their action has led to cancellation of news and magazine programmes.

Too severe?

NUJ officials argue that dismissal was too severe a penalty, and claim Mr. MacShane is being victimised for his union activities. They will sanction wider action if it is approved by the BBC chapel (office section) representatives at today's meeting.

Mr. MacShane's dismissal was raised in the Commons last week by Mr. Tom Litterick, Labour member for Birmingham Selly Oak, who described the practice of BBC staff making false calls to phone-in programmes as a "fraud perpetrated at the public expense."

London Broadcasting, the independent company, was disrupted for a period yesterday afternoon in a dispute involving engineers.

Low incomes inquiry

By Our Labour Staff

EVIDENCE about people earning low incomes is wanted by the Royal Commission on the Distribution of Income and Wealth by the end of November 1976.

This request follows the Commission's new instructions, given last month by the Employment Secretary, to analyse the past and present trends for people in the lower quartile of income earners.

The commission has been asked to discover the economic, social, and other factors which lead to low incomes. Last year, the commission reported on finances and effectiveness as bargaining outfits.

To win a certificate, bodies have to show that they are not controlled or liable to be controlled by employers. This often involves an examination of their finances and effectiveness as bargaining outfits.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

To win a certificate, bodies have to show that they are not controlled or liable to be controlled by employers. This often involves an examination of their finances and effectiveness as bargaining outfits.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

To win a certificate, bodies have to show that they are not controlled or liable to be controlled by employers. This often involves an examination of their finances and effectiveness as bargaining outfits.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

## TUC unions lose round in fight against staff associations

BY CHRISTIAN TYLER, LABOUR STAFF

TUC unions have lost an important round in their fight to deny recognition to white-collar staff associations under new labour law.

One of the main targets of their campaign, the Shipbuilding and Allied Industries Management Association (SAIMA), has been awarded a certificate of independence as a trade union despite claims that it is not a bona fide union.

Founded in June last year, SAIMA claims to represent 1,600 members and has the majority of the potential membership in management grades in those companies due to be nationalised.

Objections had come from the Confederation of Shipbuilding and Engineering Unions, from the white-collar section (TASS) of the Amalgamated Union of Engineering Workers and from the Association of Scientific, Technical and Managerial Staffs.

In some shipyards, members of TUC unions have applied sanctions designed to deter companies from granting recognition to SAIMA.

The TUC unions are now pressing for an amendment to the Employment Protection Act in order to tighten up the certification officer's criteria for judging "independence." Their claim over some of his recent decisions is likely to increase when the next list of certificate-holders, including SAIMA, is published.

It will include bodies like the Retired Officers' Association, Imperial Group staff association, Nationwide Building Society staff association and the National Federation of Club

Stewards and Hotel Managers. One association for employees of the pharmaceutical manufacturer Squibb U.K., has been refused a certificate—the sixth refusal so far.

SAIMA and a similar but looser organisation in the aircraft industry, the British Aerospace Staff Association (BASA), is awaiting a verdict) were set up in order to give senior management a say in worker participation when the industries are nationalised—as well as to take advantage of new legislation on recognition and disclosure of information.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

To win a certificate, bodies have to show that they are not controlled or liable to be controlled by employers. This often involves an examination of their finances and effectiveness as bargaining outfits.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

To win a certificate, bodies have to show that they are not controlled or liable to be controlled by employers. This often involves an examination of their finances and effectiveness as bargaining outfits.

SAIMA's general secretary, Mr. Chris Hayward-Jones, stressed yesterday that SAIMA was not opposed to TUC unions and had been approached by TASS and the Association of Professional, Executive, Clerical and Computer Staff, to talk about a merger.

## Suspension of miners was contempt of court

BY ALAN PIKE, LABOUR STAFF

YORKSHIRE MINERS' leader, Mr. Arthur Scargill, gave an appearance of bias by investigating disciplinary proceedings against two officials and acting as both prosecutor and chairman at the hearings, a High Court judge said yesterday.

Deputy Judge Rubin ruled that a decision by the National Union of Mineworkers' Yorkshire area to suspend the men for two years, after they had given evidence for the Sheffield Star newspaper in a libel action involving Mr. Scargill, was contempt of court.

The judge granted the two men—Mr. William O'Brien, Glasshoughton branch secretary, and Mr. Tom Roebuck, Manvers Main secretary—temporary injunctions, which will remain in force until a full trial, stopping the Yorkshire NUM from implementing its proposed suspensions.

Mr. Scargill, Yorkshire area president of the NUM, was awarded £2,000 in libel damages against the Sheffield Star and afterwards complained that the conduct of Mr. O'Brien and Mr. Roebuck had been detrimental to the interests of the union, said Judge Rubin.

He had set the disciplinary proceedings in motion and expressed a view as to the men's guilt.

This, coupled with his role as both "prosecutor" and chairman at the disciplinary hearings, gave an appearance of bias, it followed that justice was not being seen to be done.

On the question of contempt by the Yorkshire NUM, the judge said that witnesses should be free to go into a witness box and give evidence without fear of being punished by anybody.

"The whole system of justice in this country requires that persons who have relevant evidence shall be free to come before every court, without fear of victimisation."

Judge Rubin refused a request by Mr. Leolin Price, QC, for the union to order a speedy trial of the full action. The request was resisted by counsel on behalf of Mr. O'Brien and Mr. Roebuck.

During the High Court hearing, Mr. Alexander Irvine, for the two pit officials, claimed that Mr. Scargill had shown "bias and a desire for revenge" against them for having the "temerity" to give evidence for the newspaper, and, as he saw it, against him.

TGWU man

defends his

appointment

AN OFFICIAL of the Transport and General Workers' Union, whose appointment as chairman of the Construction Industry Training Board was attacked by a rival union, defended his move yesterday.

Mr. Leslie Kemp, who is leaving the TGWU on health grounds to take up two development corporation jobs together worth about £7,000 a year, as well as the construction industry post, said he was worth the money.

Mr. George Smith, general secretary of the Union of Construction, Allied Trades and Technicians, had complained that the Government was favouring the TGWU and ignoring UCATT.

Since then, however, UCATT's criticism is understood to have been retracted.

Mr. Kemp explained that he had been advised to give up his full-time union job because of the "strain that goes with being a union national official." He is secretary of the TGWU building group.

Heat protest

ANGER AMONG bank staffs forced to maintain "formal" clothing during the recent heat-wave has led the National Union of Bank Employees to call for a legal maximum temperature in offices.

Are you a Stock Exchange investor? Does your interest lie in the Far East, or Europe? Is gold your particular addiction? Maybe you're a commodities expert or a forex speculator? Are you hungry for the FT Index or news headlines? Whatever your interest—phone—01-246 8026 every hour.

**Akzo nv**  
ARNHEM, THE NETHERLANDS

**Dfls 125,000,000**  
9 1/4% Bearer Bonds 1976 due 1982/1986

Underwritten by and placed by or through:

**Amsterdam-Rotterdam Bank N.V. Algemene Bank Nederland N.V.**  
**Pierson, Holding & Pierson N.V.**  
**Bank Mees & Hope NV**  
**Nederlandse Credietbank N.V.**

In co-operation with:

**Credit Suisse White Weld Limited**  
**Deutsche Bank Aktiengesellschaft**  
**Société Générale de Banque S.A.**  
**Swiss Bank Corporation (Overseas) Limited**  
**Union Bank of Switzerland (Securities) Limited**

July 27, 1976







## Short-term jobs after forced retirement

**BY SUE CAMERON**

Executive Standby and Executive Reserve are both non-profit-making. Executive Standby has received financial aid from various companies including ICI, Pilkington Bros., and Bass Charrington. Executive Reserve has been helped by BP. The two companies charge the employers but not the potential standards.

"These days, when there are so many bright young people coming on to the market and when certain jobs are impossible for those who are past their prime I think everyone must plan for a double or treble career. We hope we're helping to make this possible."

**BEFORE THERE WAS A  
U.S. DOLLAR,  
THERE WAS A  
NEW YORK BANK.**



Head Office Editorial & Administration Offices:  
BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BT  
Telephone Day & Night: 01-245 8000. Telegrams: Financial, London  
Telex: 856241/2, 837897

For Share Index and Business News Summary Ring: 01-245 8026

Branches:   
Birmingham: George House, George Road, Birmingham B3 7LH  
Dublin: 5th Floor, 110 St. James's Street, Dublin 1  
Edinburgh: 18 St. Andrew Street, Edinburgh 1  
Leeds: Permanent House, The Arcade, Leeds LS1 2AB  
Manchester: Overseas House, Overseas Road, Manchester M12 9LW  
Paris: 36 Rue de Valenciennes, 75011 Paris  
Rome: Palazzo della Pace, 00187 Rome  
Tokyo: 26th Floor, Nishi Shinjuku Building, 1-2-1, Shinjuku-ku, Tokyo 162

TUESDAY, JULY 27, 1976

## Cutting local spending

THE SECRETARY for the Environment, Mr. Shore, is to-day meeting local authority representatives to discuss how far their expenditure during the coming financial year is likely to exceed the limit laid down by the Government and what, if anything, is to be done about it. It appears that the amount of the combined over-expenditure, which was earlier put at £350m, to £450m, is now estimated at £200m, to £250m. — a reduction, that is, from about 5 per cent to about 3 per cent of the total. It has also been suggested that local authority representatives may plead that several special factors, all the result of central Government decisions, are together responsible for the greater part of the remaining over-expenditure, which Mr. Shore ought, therefore, to be prepared to overlook.

Certainly it will be possible, if both sides wish it, to fudge the figures and delay squeezing the local authorities for a few months longer. Although the central Government finances nearly two-thirds of local expenditure, respect for the autonomy of local government is difficult to enforce in this part of the public sector the sort of economies which are being imposed elsewhere, to bring pressure on the councils, therefore, Mr. Shore has had to devise measures which all, in the end, imply as large a rise in local rates as to cause political unpopularity.

**Rate rise**  
A large rise is probably needed to provoke ratepayers out of the apathy which generally rules in the many local authorities where one or the other main political party is safely ensconced. To make such a rise necessary, Mr. Shore has threatened, first, to claw back next year that element of the central government grant which is geared to the special needs of particular councils and, second, to subtract from next year's grant any rate increase made to finance excess expenditure; it would also be possible to reduce the overall percentage of local expenditure financed by central government or reduce the allowance normally made for inflation. One thing which all these proposals have in common

is that they would apply to local authorities as a whole—to those who have managed to keep expenditure within the guidelines as well as to those who have not. Since the majority of councils which are conspicuously over-spending are Labour-controlled, their more virtuous Tory-controlled colleagues have some cause for complaint about these proposals. Since direct interference by central government in the affairs of particular local authorities would be a major blow to local autonomy, however, they have to be careful how far they push this line of argument. Mr. Shore, for his part, has to reckon whether Labour may not have more to lose than the Tories from a ratepayers' revolt next year if the increase in rates can be made to seem the result of central government decision rather than local over-spending.

**Union attitude**  
But there is a more immediate political calculation which he has to make. To fudge the figures and wink at the over-spending can be only a short-term policy, since next November the Government will have to give in, publicly and embarrassingly, to the over-spenders or demand a very sharp and painful cut in local expenditure. On the other hand, there may be some political pressure to postpone a decision for a few weeks. The probability is that the Government will win the reluctant consent of its supporters to last week's announcement of expenditure cuts for 1977-78 but the various unions representing public employees have understandably been among the loudest objectors.

Their objections have not been softened by the Prime Minister's strong hint last week, that local authorities ought to be cutting their staffs and not only their services to the public; and, at a time of high unemployment, their attitude may set off a sympathetic note among other trade union leaders. Mr. Shore may choose, therefore, to play for time at to-day's meeting rather than provoke a head-on clash. But sooner or later, if the Government means what it says and local authorities do not mend their ways, such a clash is inevitable.

## Russia's trade and the gold market

WHEN IT COMES to gold, few countries have such close and parallel interests as South Africa and the Soviet Union, the world's two largest producers. This is somewhat ironic in view of their profound mutual dislike. But it is safe to assume that the recent drop in the gold price which forced South Africa to take stringent counter-measures, is having equally serious consequences in the Soviet Union.

Moscow has kept silent about recent developments, but its bankers have never made any secret of their wish to see a strong gold market, and this is borne out by the shrewd way they handle their dealings. The Russians' gold holdings, estimated by the West to amount to some 2,000 tons worth \$7bn, represent a major part of their foreign purchasing power due to the self-imposed non-convertibility of the rouble. And few countries rejoiced more than the Soviet Union when gold began its boom three years ago.

### New picture

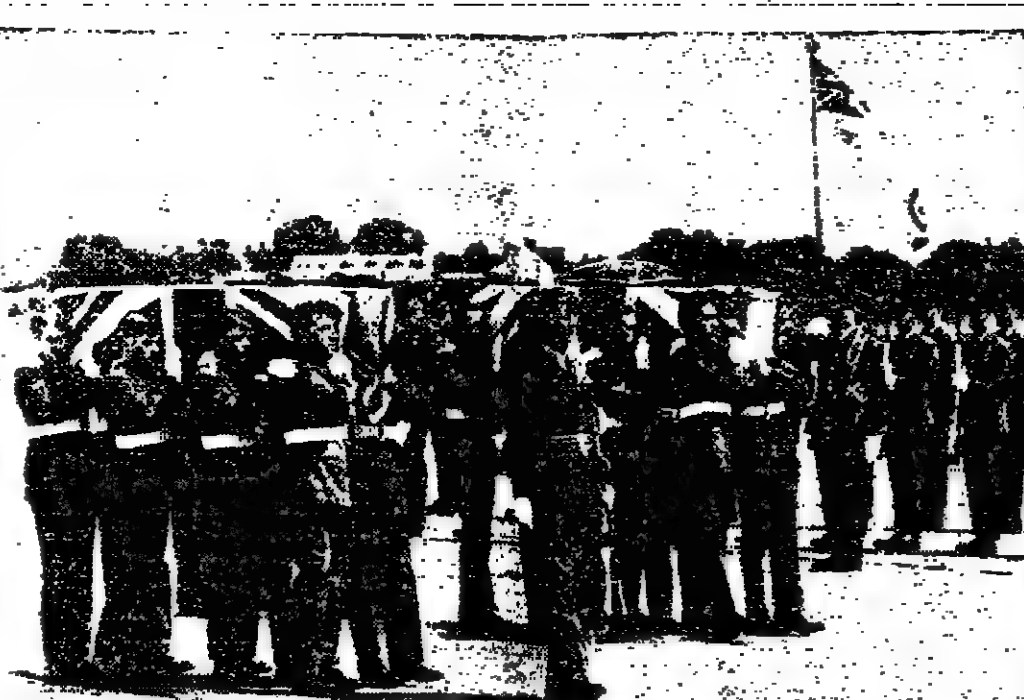
In fact, the surge in value of Soviet gold reserves gave a major impulse to East-West trade, and enabled the Russians to gather together their own resources or through Western credits to run a large trade deficit. But several factors have now combined to alter the picture and place the Russians in an increasingly awkward position. Last year's harvest disaster, arriving as it did before they had fully recovered from the previous one in 1973, curtailed some of the largest grain imports the world has ever seen, with shipments, and therefore payments, extending well into this year.

The economic recession in the West had the double-edged effect of reducing demand for Soviet exports and increasing the cost of capital imports to which Moscow is now heavily committed for a variety of political and economic reasons. In the first part of this year, the Soviet Union's trade deficit with OECD countries was running at \$350m, a month, and its accumulated debt to the West will probably reach \$15bn. by the end of the year, double the value of its gold reserves.

### Imbalance

The Russians deny that they are overstretched, and judging by the continuing readiness of western banks to advance them loans, their creditworthiness is not in question. Nevertheless, the increasing frequency and size of Eurocurrency loans being floated by the Soviet Foreign Trade Bank along with the large number of private inter-bank loans under negotiation to finance grain and other imports point to pressure on foreign payments. So far this year, according to South African estimates, the Soviet Union has sold about 150 tons of gold. This is twice last year's rate, and may have helped weaken the metal's price.

Whatever the harvest, though, there is a fundamental imbalance in the Soviet balance of payments which the Russians themselves admit must be remedied over the coming period. Judging by the new Five Year Plan, they aim to do this by raising exports rather than curbing imports. But should the export drive fail to get up steam—which could well be the case because of the West's generally low regard for Soviet industrial goods, and the Russians' difficulties in achieving larger export surpluses of raw materials—a brake would have to be applied on imports. And as in most countries, the first casualties on such occasions would be consumer goods. Recent experience suggests that capital goods would come next, and food last. As the Soviet official responsible for electric supply was recently quoted as saying: "We would rather people ate in the dark than starved in the light."



An RAF guard of honour (left) for the coffin of Mr. Ewart-Biggs and Miss Cooke at Northolt; the wreck (right) of the car in which the ambassador died.

Giles Merritt examines the political implications of the killing of the British ambassador in Dublin

# Aftermath of a murder

IRELAND'S grief and shock over the assassination last week of British Ambassador Christopher Ewart-Biggs is now slowly turning to anxiety, for the political implications of his death are disturbing. The British Government is faced with a difficult political situation: much as it wants the killers tracked down and sentenced, it is even more concerned that the Irish Cabinet should not over-react with a set of draconian anti-terrorist laws.

In spite of the often prickly relationship between Dublin and London—something, incidentally, that Mr. Ewart-Biggs had hoped to overcome with his style of open diplomacy—the legislative and security counter-measures against terrorism are in harmony. The risk is that Ireland may become much stricter than Britain, thus turning Ulster into a comparative haven and challenging the wisdom of current British policy there.

The Irish Government is under strong pressure from both hardliners inside Mr. Liam Cosgrave's "law and order" Cabinet—and from a climate of opinion here that is deeply ashamed of last Wednesday's assassination—to go for the mailed fist approach. The intensity of the Irish public's reaction to the landmine attack on the ambassador's car, in which he was killed along with a girl secretary while Britain's top civil servant in Ulster, Mr. Brian Cubbon, was seriously injured, has surprised many Irishmen.

Some maintain that feelings are running higher and the shock is greater than when loyalist car bombs exploded in Dublin in May 1974 killing 28 innocent passers-by. That it is argued fell into the pattern of Ireland's grinding, undeclared civil war. The deliberate murder of a lone envoy too recently arrived in Ireland to have become involved in its politics, is being felt as a national humiliation. "It is what the French," a senior Irish official said to me, "call 'firing at an ambulance'."

As the manhunt nears the

end of a week and the trail grows colder, the Irish authorities' conviction remains that the assassination plot was an all-out Provisional IRA attack. A task force of several thousand soldiers and policemen is carrying on with its search of the Greater Dublin area and the mountainous, sparsely populated Co. Wicklow region to the south of the city. The list of small clues is growing steadily, and it now seems more likely that success will depend on painstaking police work.

All the signs point to a minutely organised operation and the Garda Special Branch detectives leading the hunt for the three-man murder team spotted at the time of the explosion near the Ambassador's residence believe that a back-up team of well over 20 more people is implicated. It has long been recognised in Britain and throughout Ireland that a Provisional IRA "active service unit" of, say, six men requires the intelligence and logistical support of teams numbering as many as 50. The continued evasion of the killers suggests to the Irish police authorities that a well planned system of safe-houses was set up in advance as part of an escape system; a device probably far beyond the means of a Provisional IRA splinter group or any smaller extremist Republican organisation.

Although Dublin clearly has to be seen to be retaliating directly against Republican terrorism, it only to ensure that there is no backlash against the 800,000 Irish nationals living in Britain and no surge of Protestant revenge atrocities inside Ireland by Ulster's Loyalist private armies, any response risks destroying the carefully balanced relationship that exists between the two governments.

Mr. Liam Cosgrave's government arguably has three options open to it. First, it can maintain a dignified low profile in the hope that the furore will be overtaken by other events or will slowly die down. Second, it can make a determined show of force by increasing the number of suspected Republican terrorists that appear in the no-jury special criminal court, and the length of sentences it imposes, and by banning all public demonstrations of extreme Republicanism. Third, it can opt for the imposition of a rigid clampdown involving the proscription of all militant Republican organisations, such as the Provisional and Official Sinn Féins and the Marxist-

oriented IRSP, and reintroducing internment without trial. At present, there is little question but that it has chosen the second course of action. After seven years of crisis in Ulster, both governments have come to agree that it is impossible to legislate against terrorism as a means of suppressing it, only to attempt to create the conditions that make violence unsustainable. If, however, Dublin's fears that Mr. Ewart-Biggs' singling out by Provo assassins is the spearhead of a determined onslaught against the Irish Republic, option number three, which has apparently been discussed at the two Irish Cabinet meetings held since the assassination, could conceivably be employed. It is probably the headline reaction that the Provisionals would welcome, for repression breeds popular support for their cause. But the Dublin Government might decide that the "lifting" of the many hundreds of "sympathisers" that keep the Provo's guerrilla war machine in the field is worth that risk.

The bi-lateral, political repercussions of such a move are the most worrying. For Britain's policy during the 30 months that Northern Ireland Secretary Mr. Merlyn Rees has had responsibility for Ulster has been aimed at restoring normality in the province and countering terrorism with the rule of civil law. To that end and has abolished internment there and even against much opposition retained the right to keep his contacts open with the Provisionals' political wing.

Both Britain and Ireland share the same basic policy approach to Ulster: that for the foreseeable future the province must remain an integral part of the U.K. with the British military and political presence undiminished. That measure of agreement could be damagingly eroded if the two governments broke out of step in their counter-terrorist legislation. Looking to the more positive side of the unstable situation created by Mr. Ewart-Biggs' murder, both countries would wish—providing Dublin is not

forced into a crackdown—that some real gains could be achieved from the undoubted horror felt in Ireland. Close and unstinting co-operation between the security forces on both sides of the border, and indeed between the politicians and judiciary over such thorny questions as extradition and Ireland's legalistic territorial claims to the North in the Constitution, have to date been made impossible by the Irish Government's policy that such matters are "politically impossible." The diplomats, at any rate, suspect that in the aftermath of the Ambassador's murder a new relationship could be forged.

There remains a single, so far largely overlooked, problem that could easily sour all these good intentions. It concerns the question of capital punishment. When, last Wednesday afternoon, Mr. Cosgrave left the two-hour emergency Cabinet meeting he had called at 15 minutes' notice to discuss the assassinations, he grimly told reporters that the "full rigours of the law" would be applied once the killers were arrested. He meant, it has since been confirmed by a number of senior officials, that the capital punishment reserved under the 1964 Criminal Justice Act for such murders would be imposed if the killers are caught.

With the Provisional bombers apparently unrepentant, British sound police work but the Irish community's harbour and shield lists, and losing mill before the Ambassador's death, the British Government had begun to review the question of its diplomatic reaction should the Irish Government refuse to exercise clemency in the case of two people at present under sentence of death. They are usually, would be, and in Marie Murray, a young married couple convicted of the murder during a bank raid of an off-duty policeman. Their appeal is shortly to be heard, but if it were to fall there have been persistent indications from inside the Government that hard-line Cabinet Ministers would be

## Tragic irony

It is a tragic irony that shortly before the Ambassador's death, the British Government had begun to review the question of its diplomatic reaction should the Irish Government refuse to exercise clemency in the case of two people at present under sentence of death. They are usually, would be, and in Marie Murray, a young married couple convicted of the murder during a bank raid of an off-duty policeman. Their appeal is shortly to be heard, but if it were to fall there have been persistent indications from inside the Government that hard-line Cabinet Ministers would be

## MEN AND MATTERS

### Phoenix-like from the ashes?

Kaye Metrebian, the Armenian founder of Brentford Nylons, whose illness two years ago was one of the factors behind the company's troubles, is planning a comeback with a new mail order and retail sheets operation within the next few months.

Metrebian, who has made a substantial recovery from the effects of a severe stroke, has been receiving his old links with the fibre companies in the hope of launching a new company under his name, from premises—now being looked at—not far from Brentford Nylons' former tower block headquarters alongside the M4.

Metrebian, the driving force behind Brentford Nylons' success in the 1960s and early 1970s, when it managed to capture as much as 25 per cent of the U.K. sheet market, is bitter at the failure of the company and over the price for which it has now been sold—some £8.8m.—to Lonrho.

Under his new plan Metrebian's Great West Road factory will, like the early Brentford Nylons, be simply a making-up operation and he is hoping to recruit former Brentford workers who lost their jobs as a result of the company's problems.

Much is likely to depend however on the response he gets from the fibre companies at meetings due to be held very soon. Metrebian, who with his family owned the Brentford Nylons share capital, is prepared to mortgage his Kensington house and go it alone; but he would like a yarn supplier to come in as partner taking about 30 per cent of the shares in his new company.

Metrebian's confidence is based at least in part on the view that his name still counts

with the consumer. Here he points to the 20,000 letters he received personally in one week after the Brentford collapse.

Even more important is the 3m. strong Brentford Nylons mailing list. At the height of the company's success all were receiving a brochure, with Metrebian's signature ten times a year. "It is not the name Brentford Nylons that has the following but the founder that has the support of the customers," Metrebian claims. He says he will build up again to an advertising budget of £1m. with the fibre companies in the hope of launching a new company under his name, from premises—now being looked at—not far from Brentford Nylons' former tower block headquarters alongside the M4.

### Thinking small...

Leyland Cars' design team at Austin-Corrs has been borne away into flights of science fiction fantasy in search of a code-name for its latest project, the replacement for the all-important Mini (which is due to be with us before the end of the decade).

As far as the basic styling and concept is concerned the designs are just about complete and there seems to be general agreement at Leyland as to how the car should look. The length will be pitched between the current 10 feet Mini and the 11 feet 8 inches average of the new generation of so-called "super-minis" such as the Ford Fiesta and the Renault 5.

The length may be fixed but the affectionate code-name may cause greater problems for its public image. Inspired by the concept of Dr. Who's usual mode of transport—namely the police box, which you will recall, may appear from the outside to be rather cramped as a family four-seater, but which proves startlingly roomy once

the passengers are fitted inside—the design team has recently taken to calling its new dream "Tardis."

But there is now some concern being expressed that some of the less attractive characteristics of the Tardis may also be unwittingly attached to the little car's image. After all is Tardis not the machine whose steering controls appear to carry at least a two-year guarantee of never obeying the driver? And as for the futuristic design, isn't it Tardis that is just as willing to travel backwards in time, as well as breaking boldly across new frontiers?

Perhaps the name has its compensations and carries with it the hope of incorporating dramatic new safety features. After all Tardis' single owner, one Dr. Who, has been killed off at least three times by his employers and yet he always seems to be there for the start of a new series.

### ...and smaller?

Still more or less with the same company: a gleaming Rolls-Royce recently cruised past the Financial Times sporting the number plate 1 CAR. The unkindest speculation as to the ownership of the vehicle was: the chairman of British Leyland!

### Last quack

I know that some of my readers will think that I am quackers—but my duck jokes of the recent past have produced so many more from readers that I am going to wrap the best (worst?) of them up in one go. After that, please note, duck jokes are a dead duck.

One reader inquires, "how do you kill a sitting duck?" (Answer: hire a quackshot!) Another reader asks, "How does a duck tell a funny story?" (It



"Just imagine you've defected and the KGB are after you!"

quacks a joke). However, the one I like best of all is about the duck who starred in the remake of Calamity Jane: when it came to singing the smash hit, "The Deadwood Stage" made famous by Doris Day, the duck version came out—"whip quackaway, whip quackaway whip quackaway!"

### Realism

You have to hand it to the Swiss—they really have got their priorities right. The following sign is displayed in a telephone booth in Zurich railway station. "Emergency telephone numbers: Police, 117; Fire Brigade 118; Foreign Exchange Rates, 160."

Observer

## THE PENTLAND INVESTMENT TRUST LIMITED

Six Months to 30th June 1976

The Directors have declared an Interim Dividend of 0.875p (8.75%) per Ordinary 25p Share which with the imputed credit is equivalent to 1.34615p (13.4615%) gross (1975/76). The Dividend is payable on the 2nd August 1976. The unaudited figures for the six months to 30 June 1976 are shown below together with the comparable figures for the six months to 30th June 1975.

	1976
1. Gross Income	858,360
2. Net Revenue after all charges including taxation	318,955
3. Taxation charged in arriving at Net Revenue	
(a) Overseas Taxation	16,726
(b) Corporation Tax	63,590
4. Cost of Dividends (Net)	130,623
(a) Preference	17,804
(b) Ordinary	152,823
5. Rate of Interim Dividend on Ordinary Shares	0.87500p
Add: Imputed Tax	0.47115p
Gross equivalent	1.34615p
6. Earnings per Ordinary 25p Share	1.73p
7. Net Asset value per Ordinary 25p Share	125.5p
Including whole of dollar premium of	28.2p (451%)

Notes  
1. The Net Asset Value has been calculated after for the Interim Dividend and deducting prior at par.  
2. No provision has been made for tax on Capital calculating these figures.  
3. Earnings on the Ordinary Shares for the first six months are 22 per cent. higher than for the same period. The second half is unlikely to show the same growth. The present estimate of earnings for year is 3.30p per Share as against actual earnings for 1975.

EAST OF SCOTLAND INVESTMENT MANAGERS LTD  
3 ALBYN PLACE, EDINBURGH EH2 4NQ







# Cawoods tops £5m.: 100% scrip

THE SATISFACTORY result, expected by Cawoods Holdings for the year ended March 31, 1976, has emerged as pre-tax profits of £5.02m, compared with £4.12m previously. First half profits had improved from £1.76m to £1.81m. Earnings per 25p share are up from 17.09p to 20.65p and the net dividend is 4.55p making a maximum permitted total of 6.12p against 5.62p previously. A one-for-one scrip issue is also proposed.

1975-76	1974-75
Turnover	147,504,628
Subsidiaries	147,504,628
Associates	11,254,738
Trading profit	2,711,235
Depreciation	1,238,113
Invest. income	24,712
Interest received	24,712
Share avcs.	24,712
Loan interest	131,835
Pre-tax profit	5,020,400
Taxation	2,452,299
Minorities	16,559
Ext. credits	121,847
Retained	1,768,776

Group operations include solid and fuel oil distribution, ship-owning and container services, asphalt etc. manufacturing, re-factories, marine aggregates and builders' merchants, etc.

## comment

Cawoods profits growth really took off in the second six months of 1975-76, when the pre-tax level jumped by 36 per cent. after a 5 per cent. rise in the first half. This must have owed much to the stockbuilding of solid fuel which took place in the first half-year before prices accelerated, but it also reflects good performance from several other important divisions including asphalt, packaging and sand and gravel. With fuel distribution dependent on the winter months, the bulk of its profits, it is too early to say whether the growth in the largest division will continue, but overall profits for the first quarter of 1976-77 are in the corresponding period. With cash balances now boosted to around £4.7m. (against £1.7m. last time), the shares at 142p, yielding 6.8 per cent. covered 5.5 times, are well supported.

## Graig loss but paying maximum

DESPITE incurring a loss of £670,129 in the year March 31, 1976, before tax credits of £300,818, compared with profits of £1,046,014 before tax of £575,881, Cardiff-based Graig Shipping Company is paying the maximum permitted total dividend of 13.39p, against 13.97p, per £1 share the proposed net being 10.38p.

Net profits on the sale of two vessels yielded £1,065,229.

## comment

Graig Shipping was able to reduce

## INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
A.A.H.	17	1	Graig Shipping	16	1
Bids and Deals	18	6	Hall and Earl	16	4
Cawoods	16	1	Hall-Thermotank	17	3
Cook (Wm.) (Sheffield)	16	6	Kwikform	16	4
Crellon Holdings	16	5	Mining News	18	3
Farnworth (Robt.)	16	6	Scotts	17	6
Fodens	17	4	Scottish Mutual	16	5
Gateway Securities	16	2	To-day's Co. Meetings	16	8
Gen. Eng. (Radcliffe)	16	3	Watson (R. Kelvin)	16	4

second-half losses to £46,000 compared with the interim figure of £53,000, due to the completion in December of unprofitable charter contracts on two hired ships. But, with the freight market remaining depressed, Graig's problems are not over. All its three vessels are now in the spot market but none are trading profitably so prospects of a turnaround in the current year are pretty faint. Meanwhile, with the sale of two ships, its cash position has risen considerably above the £0.53m. of a year ago and net shareholders' funds stand at around £6.4m. This compares with a market capitalisation of £1.55m. At 310p the yield is 7.9 per cent.

## Gateway slips in latter half

ON TURNOVER up from £36.95m. to £53.9m, Gateway Securities reports pre-tax profits unchanged at £0.98m, for the year to April 3, 1976. At mid-year an advance from £0.44m. to £0.67m. was announced.

Full-year earnings per 25p share are shown to have risen from 4.77p to 4.77p and a final payment of 0.615p net lifts the dividend total from 1.1p to 1.19p. Tax takes £420,000 (£452,000) leaving the net balance ahead from £35,000 to £364,000. After extraordinary debits the attributable figure emerges at £361,000 (£306,000).

The directors say that unprofitable and smaller units have been and are being closed and disposed of and that they are giving continued attention to trading methods so as to provide customers with the required standards, yet minimise costs.

The preliminary results of Gateway Securities have been drawn up in a different way from those of last year, which makes any comparisons only tentative. The declared pre-tax profits of just under £1m. barely changed on last year's adjusted level, which is a disappointment after hopes of a good improvement at the interim.

## General Eng. sees increase

M.R. R. B. OGDEN, chairman of General Engineering Company (Radcliffe), says that an increase in turnover coupled with a significant reduction in financing costs as a result of better cash flow, should, unless interest rates rise materially, ensure a further increase in net profit in the current year, provided operating conditions are maintained.

Order intake, somewhat slow at the end of 1975, has picked up significantly and although still variable, still shows every sign of providing turnover above that achieved in 1975-76. The longer term directors regarded 1975-76 results as the establishment of a new base from which the next phase of development could be planned. This is already taking place.

In the year ended March 31, 1976 group pre-tax profits jumped from £0.33m. to £1.04m. The chairman says that this result is the outcome of five years of intense reorganisation and development.

The financial aspect of the group has changed considerably since March 31 when the volume of work in progress was exceptionally high—as it was in the previous balance sheet. In 1976 however the proportion of near-completed work was considerably greater and the exceptional element has now been reduced.

In consequence the group's cash flow forecast showed the bank overdraft as being eliminated at June 30, 1976. In the event this has been held up by delays on documentation on two overseas deliveries, on receipt of which the only remaining bank borrowing will be a medium term loan of £0.5m. apart from seasonal requirements and export financing facilities.

In view of this and the favourable prospects for future cash flow from the increased turnover and profit envisaged, the chairman says that the raising of additional permanent working capital envisaged for a number of years is no longer necessary for the present programme notwithstanding capital commitments of £285,000 at March 31 which will be expanded over a period of some length.

It is, however, felt desirable that the issued capital be lifted to over £1m. so that the share may now acquire trustee status. As known a one-for-two scrip issue is proposed.

Inflation adjusted accounts on

a CCA basis shows a pre-tax profit of £533,000 compared with a loss of £199,000. Net tangible assets per share are shown at 61p (54p) against 31p (25p) historic.

Meeting, Radcliffe, August 18 at noon.

## Kwikform second half recovery

After being behind at £0.40m. (10.6m.) at halfway a strong recovery in the second half pushed pre-tax profits of Kwikform, for the 53 weeks to May 1, 1976, up from £1.09m. to £1.33m.

Earnings per 20p share improved from 10.9p to 17.2p and the total dividend is stepped up from 4.06p to 4.46p with a final payment of 3.06p net.

The company manufactures, sells and hires scaffolding systems. 55 wks. 52 wks. 1975-76 1974-75

Turnover	12,123	10,732
Share avcs.	12,123	10,732
Pre-tax profit	1,330	1,090
Taxation	632	371
Retained	698	719

## comment

After suffering a 20 per cent. pre-tax slump at the interim stage, Kwikform more than doubled its second-half profits to end the year 40 per cent. ahead. Practically all the growth came from overseas, particularly in the Middle East and Australia. In the U.K., sales have slackened, although the hire side improved by 20 per cent. The home market is expected to remain flat in the current year so it is looking overseas for further growth this year. Meanwhile, it has reduced its overdraft by 40 per cent. to £0.8m. At 90p, the p/e is 5 and the yield 7.9 per cent., covered 3.5 times.

## £0.6m. from Hall and Earl

TAXABLE PROFIT of fabric and garment manufacturers Hall and Earl finished the year to March 31, 1976, at £30,889 compared with £61,263 in the previous 12 months. Midway profits totalled £228,000.

Earnings per 10p share were 2.44p (2.2p) for the full year and the dividend is increased from 0.487p to 0.542p net. Turnover expanded from £7.75m. to £9.14m. and tax took £237,954 against £312,723. After extraordinary debits of £48,943 (nil) and minorities, the attributable emerges at £235,971 (£287,133).

## Progress at R. Kelvin Watson

Currently, R. Kelvin Watson is progressing in accordance with its objectives and turnover is being maintained at a very satisfactory level, the chairman says.

The cash flow position is healthy and there are no borrowings of any kind, he says. With the level of retail spending remaining high, the chairman sees no reason why the group should not continue to benefit from this level of demand.

The research and development programme continues as planned and the group has improved hard and soft core contact lens materials is currently being explored as well as contact lens design and production methods. Watson appears to be so slackening of demand for both spectacles and contact lenses, says Mr. Watson. However, restraints placed by the NHS on spectacle lenses, prices have an inhibiting effect on the manufacturer in that the ability to re-equip is seriously impaired.

For the year ended March 31, 1976, profits before tax rose from £271,926 to £302,105 on turnover of £3.62m. against £1.93m. Meeting, Stockport, Cheshire, August 18 at noon.

## Wallace Whelan

Wallace Whelan, who for most of his 22 years with the Financial Times was in charge of its company news, died last Saturday, aged 82. Mr. Whelan had been in ill-health for some time.

He joined the FT in 1954 from the Stock Exchange Gazette, before its merger with the Investors Chronicle, where he had held the position of deputy editor and number two to Lord Ryder, then Mr. Don Ryder. Although never a prominent figure in the public eye he was, nevertheless, well known and highly respected around the City of London. A great many City commentators, merchant bankers, stockbrokers and even industrialists received their early training at the hands of Wallace Whelan. His greatest contribution perhaps was that he was always prepared to teach the next generation, without ever being patronising.

A bachelor and music lover, Mr. Whelan was a man of modesty and immense integrity. His memory and knowledge of City affairs were legendary among his colleagues.

Lord Ryder, now chairman of the National Enterprise Board, said last night that Mr. Whelan was a man for whom it would never have been necessary to compile a Code of Conduct for financial journalists or on business ethics. He was a man of total integrity.

He had the capacity to work beyond the point where those around him were exhausted, and he possessed with this dedication to what he was doing a devout loyalty for those he worked for, and those he worked with. No one asked for help or guidance in vain and many now

## DIVIDENDS ANNOUNCED

Current payment	Date of payment	Corresponding payment	Total for year	Total last year
A.A.H.	4.75p	Oct 4	4.32	9.1
Cawoods	4.55	Oct 1	4.14	6.13
Wm. Cook	1	Oct 1	0.6	1.06(b)
Crellon	0.5	Aug. 27	1.85	1.51
Drayton Far Eastern Int.	0.18	Sept. 14	0.54	1.19
Gateway Secs	0.82	Sept. 17	13	40
Geduld Investments Int.	13(a)	Sept. 18	7.97	15.36
Graig Shipping	10.26	Oct 5	0.49	0.54
Hall and Earl	0.34	Oct 5	1.06	2.25
Hall-Thermotank Int.	1.18	Oct 5	2.68	4.08
Kwikform	3.06	Sept. 17	11	38
U.C. Investments	10(a)	Sept. 17	11	38

Dividends shown pence per share not except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital issue at a price of 70p where the nominal value is 50p. The shares closed at 80p last night after a 4p fall on the day in a falling market.

holding positions of responsibility and importance owe much to him for his success. He was extremely modest and his humility gave an extra quality to his friendship for many who, like myself, my wife and children, had the great pleasure, privilege and good fortune to claim it."

## K.L.

## Crellon well below forecasts

ELECTRICAL, electronic and plumbing product distributors, Crellon Holdings, had a shock in store for its shareholders yesterday. Instead of the maintained profits and forecast maximum dividend indicated at the time of the group's oversubscribed rights issue last August—and repeated at the interim stage in December—Crellon has announced more than halved pre-tax profits and slashed its dividend.

Mr. Robert Leigh, the group chief executive, is to leave the company on September 1, to be replaced by Mr. Geoffrey Heywood, the director of finance. Pre-tax profits of £188,000, including post-acquisition profits of the GDS group, compare with the expected £228,000 of the previous year's £289,000.

In agreement with the group's bankers the net final dividend is 0.5p making a total of £1,959 forecast, against £2.8p and £2.64p previously. Earnings per share are down from 5.7p to 3.3p.

A separate letter to shareholders, sets out details of the operating problems incurred, which occurred mainly in the electrical division.

A new managing director has been appointed in the electrical division and with the division's reorganisation nearing completion, the Board believes all the problems are now in the past.

Sales and gross margins achieved forecasts, but overheads continued throughout the second half, with a serious effect on net profit, the director says.

Sales for the first two months of this year were 22 per cent. above last year, 20 per cent. excluding Q1's, and with overheads under tight control, the first half of the current year will show significantly improved profits compared with the last six months of the past year, but they are unlikely to be above the first half of last year.

However, the second six months of this year can be expected to show the benefits of the reorganisation and changes in the expansion of our interests in the growing electronic component market in Europe has given a better balance to the structure of the business, and confidence in the future of the group has not been shaken by the temporary setback of the past year, says the chairman.

1975-76	1974-75
Sale	17,823
Trading profit	184
Interest	218
Profit before tax	302
Tax	40
Net profit	262
Extraordinary loss	18
Dividends	73
Earnings per share	3.29
Profit	8.79

## Scottish Mutual raises bonus

By Eric Short

The Scottish Mutual Assurance Society announces that it is increasing its rate of interim bonus on attaching bonuses to 51 per cent. from the previous rate of 5 per cent. for all policies becoming claims on or after August 1, 1976. The bonus rate on the sum assured remains at 34 per cent.

The Society makes its full bonus declaration every three years, the last one being for the period ended December 31, 1973. It then

## ISSUE NEWS AND COMMENT

# Whitecroft-rights to raise £1.4m.

Whitecroft, the Northern building supplies and specialist textile group, is planning to raise £1.4m. through a one-for-four rights issue at a price of 70p where the nominal value is 50p. The shares closed at 80p last night after a 4p fall on the day in a falling market.

Although the group claims substantial overdraft facilities available at present, it believes that the issue is appropriate for expanding its capital base while the proceeds will be used for further expansion including investment in existing major textile and building divisions. Growth is planned through both internal development and through acquisitions.

In the year until March 31, group pre-tax profits were down 231 per cent. in the first half but improved by 16 per cent. in the second and in the current year it hopes to raise the total dividend by 31.8 per cent. to 7.0p a share. The new shares will qualify for this year's dividend.

Dealings in the new shares in nil paid form are expected to start on July 28. The issue is underwritten by J. Henry Schroder Wagg and Co.

Earnings improved from 4.26p to £236,478 on turnover up from £2.07m. to £2.25m. are reported by William Cook & Sons (Sheffield) for the year to March 31, 1976. After tax the attributable balance is £105,391 against £24,889.

Earnings improved from 4.26p to £236,478 on turnover up from £2.07m. to £2.25m. are reported by William Cook & Sons (Sheffield) for the year to March 31, 1976. After tax the attributable balance is £105,391 against £24,889.

The company applied for and has obtained general Treasury consent to the dividend increase. However, specific Treasury consent must now be sought for the actual figure proposed but it is not anticipated that any problems will be encountered in this respect. Bonus shares will not rank for the final dividend but will rank for all future dividends.

The company manufactures steel castings. A new managing director has been appointed in the electrical division and with the division's reorganisation nearing completion, the Board believes all the problems are now in the past.

Sales and gross margins achieved forecasts, but overheads continued throughout the second half, with a serious effect on net profit, the director says.

Sales for the first two months of this year were 22 per cent. above last year, 20 per cent. excluding Q1's, and with overheads under tight control, the first half of the current year will show significantly improved profits compared with the last six months of the past year, but they are unlikely to be above the first half of last year.

However, the second six months of this year can be expected to show the benefits of the reorganisation and changes in the expansion of our interests in the growing electronic component market in Europe has given a better balance to the structure of the business, and confidence in the future of the group has not been shaken by the temporary setback of the past year, says the chairman.

Whitecroft's rights issue, accompanied by a projected 31.8 per cent. dividend rise in the current year, should draw attention to the shares which seem to have been neglected up to now—even allowing for the general depression in the textile and building sectors. A fall in the shares to 80p yesterday, the prospective ex-rights yield is boosted 34 points to 12.3 per cent. while the p/e (adjusting for the new capital and a notional increase on last year's earnings) remains under 5. Meanwhile, on this conservative reckoning, the dividend is still covered a reasonably healthy 2.6 times. The group is shortly to pay out £1.4m. for the redemption of its mortgage debenture stock on expansion, probably by E.C. 11.3p. North acquisition is planned. But cash flow is expected to improve this year on a recovery in orders for the specialised textile division and Transparent Paper, continuing strong demand for W. 12.3p. Trustees' plumbing and other DIY building equipment. About 25 per cent. of 22, Arlington Street, 5

## OVERDUE EXPORT ACCOUNTS

We specialise in collecting outstanding from any part of the world.

Loss of cash flow is expensive—our service

A fee is chargeable ONLY on monies recovered

For personal service, without obligation, contact:

GRANADA CREDIT COLLECTION LTD

Granada House, Gabriels Hill, Maidstone, Kent.

Tel: Maidstone (0622) 676451.

## HTV Group Limited

(Incorporated in England under the Companies Act, 1948 to 1967)

Listing of 10, 104, 724 Non-Voting Ordinary Shares of 25p each fully paid

Application has been made to the Council of The Stock Exchange for the listing of the whole of the Non-Voting Ordinary Share Capital. It is anticipated that the Scheme of Arrangement under Section 206 of the Companies Act, 1948 will become effective on 29th July, 1976 and that the shares will commence on that day.

Full particulars of the Shares will be available in the External Statistical Service and copies may be obtained during normal business hours (Saturdays excepted) from 29th July, 1976 to including 20th August, 1976 from:

County Bank Limited, 11 Old Broad Street, London EC2N 1BS

Pannone Gordon & Co., 9 Moorfields Highway, London EC2M 6PS

**5 YEARS RENT FREE OFFICES**

Due to exceptional circumstances, we have available a few new buildings in the London suburbs from 3,000 to 10,000 SQ. FT.

**ONLY FIRST CLASS COMPANIES CONSIDERED**

Being the developers we are only prepared to deal with interested principals. Write Box T.4370, Financial Times, 10, Cannon Street, EC4P 4BY.

MOORGATE INVESTMENT COMPANY LIMITED					
Chairman—Mr. B. A. C. Whitmee					
Year to 31st May	1976	1975	1971	1987	
Gross assets (less current liabilities)	£000s 3,598	3,130	2,951	1,778	
Net asset value per share	67p	60p	54p	32p	
Net revenue available for Ordinary Shareholders	£000s 111	104	62	47	
Earnings per share	2.38p	2.24p	1.34p	1.01p	
Ordinary dividend per share	2.35p	2.02p	1.20p	0.95p	

Twenty-five largest investments at market value :			
	£		£
Estates House Investment Trust	234,380	Bendix Corporation	38,828
Hanson Trust	87,330	Glanfield Securities	38,750
General Electric (U.K.)	71,347	Yeoman Investment Trust	37,375
Bowater Corporation	66,076	Edgar Allen, Balfour	37,333
Shell Transport and Trading	66,000	Leonard Fairclough	36,980
General and Commercial Investment Trust	61,250	Associated Paper Industries	36,646
Hill Samuel Group	59,278	Incheape	34,953
Eagle Star Insurance	55,500	Dalgety	33,360
Prudential Assurance	53,550	Norcross	33,091
Rio Tinto-Zinc	49,050	Bruntons (Musselburgh)	32,900
Babcock & Wilcox	48,600	Australian Agricultural Co.	32,175
Johnson & Firth Brown	44,520	Macmillan, Inc.	31,751
C. E. Heath	44,415		
			£1,367,697

**Extracts from the Chairman's Statement:**

The net asset value of the Company's ordinary shares rose by 11.7 per cent. in the year. This performance compares with a rise in the F.T. All-Share Index of 8.8 per cent. When the Company was formed in 1960 the All-Share Index did not exist but the F.T. 30-Share Index between then and 31st May 1976 rose by 18 per cent., whereas the net asset value per share over this period increased by 168 per cent.

As Shareholders are aware, our policy has been primarily to invest in companies which are small or where the market in the shares tends to be narrow, but partly as a consequence of take-overs and mergers a number of holdings in big companies have arisen and have been retained.

The twenty-five largest holdings accounted for 40.1 per cent. of the market value of the investments at 31st May 1976.

This year's dividend represents an unusually high level of distribution but our income estimate for the current year appears at this early stage to look favourable.

Towards the end of our year we increased our foreign currency loans from U.S.\$200,000 to U.S.\$400,000. Throughout the year there was a surplus over our dollar borrowings of the valuation of the investments acquired therefrom, and at 30th June 1976 this surplus amounted to U.S.\$179,000.

We think we are finding some attractive and high-yielding investment opportunities among smaller but sound companies in the U.K. Stock Market.

The Board expects to be able at least to maintain the dividend at the increased level.

Copies of the Report and Accounts and Chairman's Statement can be obtained from Philip Hill (Management) Limited, 8 Waterloo Place, London SW1Y 4AY.



**\$100,000,000**

**Joseph E. Seagram & Sons, Inc.**

**Promissory Notes due 1996**

This financing has been arranged privately.

**Goldman, Sachs & Co.**</



# AAH reaches target with £4.78m.

NE with estimates, profits policy of developing a broadly based distribution and services group. It is intended to continue this policy by internal growth and, when suitable opportunities occur, by acquisition.

As anticipated, the general recession in industrial activity made it impossible for the road haulage fleet to maintain the exceptional trading profits of the previous year. In the circumstances a profit of £324,000 is considered a satisfactory result.

Greater activity and opportunity are now being seen and it is expected that the group will be placed to benefit from them.

In agricultural supplies and services the Tyler group produced satisfactory results despite difficult trading conditions on the Continent and unfavourable weather conditions both there and in the U.K. Considerable progress has been made in recent months in expanding business on the Continent and the outlook for the Tyler Group is reasonably optimistic.

The general engineering division had a satisfactory year with LPS Contacts showing profits similar to the previous year and Rimer-Birch and the Clayton Chambers Group showing increased profits.

As forecast last year, Power Plant's profits recovered to a modest level. Currently Power Plant has a satisfactory order book and a much increased turnover.

Management is confident that the problems of the past two years have been overcome and a satisfactory contribution to group trading profits is, therefore, expected this year.

**Comment**

Strong performance from building supplies and general engineering have enabled AAH to keep its full-year profits slightly ahead of the £4.7m. June rights issue forecast. Volume on the coal distribution side dropped fairly sharply during the year but a general rise in price increases allowed Chemists Holdings (London) to hold profits fairly steady. Of the group's traditional activities, only building supplies and general engineering look set for any significant growth in the year. With many of the £200,000 pre-tax coming in from the first inclusion of Chemists Holdings (nine months), the annual profits could reach £5.7m. That would cover the forecast dividend, yielding 12.8 per cent, 3.3 times and put the shares at 137p on a p/e of 3.2.

**EAST ASIATIC**

East Asiatic Rubber Estates "Chemists" represented the proposed capital repayment of 21p per share has

## ARCLO ENGINEERING GROUP LIMITED

acturers and suppliers of non ferrous components castings, abrasive cutting off machines and band saws, presses, gears and power transmission equipment, and stainless steel wire, card clothing and card cloth.

### SUMMARY OF RESULTS

	1976	1975
ear to 31st March	£7000	£7000
turnover	6,471	6,393
profit before tax	608	662
arnings per 25p ordinary share	6.88p	7.12p
vidend per 25p ordinary share	2.44p	2.25p
vidend cover	2.8	3.2

Points from the Statement by the Chairman Sir Robin Brook, C.M.G., O.B.E.

**and Dividends:**

In the interim report... I said that overall we were making profits somewhat lower than last year's record level. Even now we are reporting earnings of £275,000 or 6.9p per share compared with £263,000 or 7.1p per share earned last year with an increase in liquid resources of £10,000.

... final dividend... is the maximum permitted under legislation...

**ris:**

"The present year has got off to a good start although the bank in some of our companies is below par. The of the expected upturn in trade is therefore important there might be some fall off in the next few weeks, but reasonably confident of a further advance over the year 1975."

of the Report and Accounts may be obtained from the Arclo Engineering Group Limited, Hightown Road, Easton, Yorkshire, BD19 5JU. Telephone 0274 873226.

## \$10,000,000

Senior Notes due 1988

## Molins Machine Company, Inc.

a wholly-owned subsidiary of

## Molins Limited

This financing has been arranged privately.

Hill Samuel Securities Goldman, Sachs & Co. Corporation

July 27, 1976

# Fodens expects return to profit this year

A RETURN to reasonable profit is looked for in the current year, with next year recovering to adequate profit, the chairman of Fodens, Mr. L. J. Tolley, says in his annual report.

The group's confidence is returning "and we believe our future is bright," Mr. Tolley says. For the year to April 3, 1976, the group incurred a pre-tax loss of £1,011m, compared with a £686m profit in 1975. The dividend is a nominal 0.65p net, but if current progress continues, more normal ordinary dividends are hoped for next year.

The group is now operating profitably and the chairman expects the rate of profit to increase steadily for the remainder of the year. Demand and order books are good and output is gradually increasing to match demand within the limits of financial resources.

New and improved vehicles are now being delivered. The new export range is about to be introduced and military vehicles are being delivered at increasing rates now the group is receiving previously delayed sub-contracted supplies. There are great hopes for the new bus chassis, the prototypes of which are being well received.

The capacity to produce, thanks to the earlier investment and expansion, will be adequate once the vehicle range is in balance, but the problem of increased utilisation of this capacity will be a financial one, says the chairman.

Overseas, the situation with exports is improving, and a number of very satisfactory orders has recently been received. In South Africa much of the year's profit was eliminated by devaluation but this should not happen again and increasing contributions are expected from this activity.

A broad estimate has been made of the effects of current cost accounting, but adjusted for the effect of inflation on net monetary

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Company	Date
Associated Dairies	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23
Associated Dairies (Pte) Ltd	Aug. 23

items, it is indicated that the pre-tax loss last year would have been increased by some £1m.

The group is operating within short, term borrowing arrangements and is maintaining careful control of cash flow. At the financial year-end there was a £324,000 decrease in bank overdrafts (£2.52m. increase) and a £172,049 increase in bills payable and short term loans.

Meeting, Sandbach, August 18 at 3 p.m.

See Lax

## BRITISH INVESTMENT

British Investment Trust announces the repayment on the due dates of the £5m. loan and the corresponding sterling loan

of £2,083,000 under the reciprocal arrangements made in July 1980.

## Scotcross well ahead so far

AFTER THREE months trading in the current year, sales and profits of Scotcross, the packaging, drink and food group, were on a rising trend and "well ahead" of the same period last year, chairman Mr. W. R. Alexander told the annual meeting in Glasgow yesterday.

The group had sold Thomas Bishop, marine equipment manufacturers, to Fife Forge, he announced. Bishop had not contributed to profits for four years and no longer had real relevance to the group's main product range.

The funds released by this disposal and earlier sales of the cash-and-carry units would be used for a new £1m-plus plastic film calendaring line for the Wikie and Paul Packaging company in Edinburgh, which would open up overseas markets for packaging products.

Capacity at the group's animal feed company, Parkers, near Glasgow, was also to be increased at a capital cost of £100,000.

Mr. Alexander added that he hoped shortly to announce a packaging acquisition in the U.K. and that the group was having talks in Germany and France with a view to establishing a European holding company in which Scotcross would have a majority.

"Since 1972 our earnings per share have approximately doubled, and I see no reason why this kind of progress should not continue," Mr. Alexander declared.

## GENERAL

## THE GENERAL ENGINEERING CO. (RADCLIFFE) LTD

The 39th Annual General Meeting of the Company will be held at Radcliffe, Manchester on 18th August, 1976.

Main points from the Chairman's Review:-

- Results reflect 5 years of reorganization and development
- Exports represented 64% of turnover
- Overseas sales coverage progressively broadened
- Further development being actively pursued
- 1 for 2 scrip issue proposed
- Future is viewed with confidence

Group Results in Brief	1976	1975
Turnover	£7,000	£7,000
Trading Profit	247	251
Interest	477	159
Taxation	118	—
Extraordinary items	441	174
Profit after tax	£10p	2.5p
Earnings per share	1.48p	1.20p
Dividend per share-net	31p	25p
Tangible assets per share	—	—

Full Report and Accounts available from the Secretary, Bury Road, Radcliffe, Manchester.

# Union Corporation Group

## U.C. Investments Limited

(Incorporated in the Republic of South Africa)

### HALF-YEARLY STATEMENT

The unaudited accounts for the six months ended 30th June, 1976, and the comparative figures for 1975, show:

	January to June 1976	January to June 1975	Year 1975
R(000)	R(000)	R(000)	R(000)
Income from investments	4,581	5,160	8,854
Net surplus on realisation of investments	70	240	424

From which must be deducted:			
Net sundry expenditure	151	178	134
Directors' fees	15	15	30
Provision for writing down investments	14	45	51
Interest paid on unsecured loan	180	238	2,055

Profit before taxation	4,471	5,188	7,248
Taxation	—	56	127
PROFIT AFTER TAXATION	4,471	5,132	7,121

Cost of interim dividend	1,950	2,145	—
Shares in issue (000's)	19,500	19,500	19,500
Dividends declared (cents per share)	22.9	24.3	36.5
Dividends declared (cents per share)	10.0	11.0	36.0

**NOTES:**

1. At the present time the directors believe that the decline in Investment Income experienced in the first half of the year will continue in the second half, possibly to an even greater extent. Consequently it is unlikely that the total dividend distribution for the year 1976 can be maintained at the level of that in 1975.

2. As announced in the press on 2nd June, 1976, agreement has been reached in principle between the Company, Union Corporation Limited, Trans-Natal Coal Corporation Limited and The Clydesdale (Transvaal) Collieries Limited, regarding the joint exploitation of the coal rights held by them in the Evander area of the Eastern Transvaal ("The Joint Area").

The respective participations of the parties in the arrangements regarding the coal rights will be determined within twelve months after technical assessments of the exploitable coal reserves being contributed by each of them. The parties, regardless of where exploitation of such coal reserves occurs in the Joint Area, will then contribute to expenditure and participate

	January to June 1976	January to June 1975	Year 1975
R(000)	R(000)	R(000)	R(000)
Income from investments	1,398	1,340	2,254
Net surplus on realisation of investments	13	171	322
Surplus on disposal of property	5	—	30
	1,416	1,511	2,606

From which must be deducted:			
Net sundry expenditure	47	(47)	(58)
Directors' fees	9	6	15
Provision for writing down investments	—	—	(139)
Reversal of surplus on sale of property in previous year	—	—	4
Goodwill on consolidation written off	56	(41)	(41)
	1,360	1,552	2,647
Consolidated profit before taxation	1,360	1,552	2,647
Taxation	5	4	53
Minority shareholders' interest	—	1	—
CONSOLIDATED PROFIT AFTER TAXATION	1,355	1,547	2,594
Cost of interim dividend	557	557	—
Number of shares in issue (000's)	4,283	4,283	4,283
Earnings per share (cents)	31.6	36.1	60.6
Dividends declared (cents per share)	13.0	13.0	40.0

**NOTES:**

1. It should not be assumed that the results for the half-year ended 30th June, 1976, will necessarily be repeated in the half-year ending 31st December, 1976, since income from investments does not accrue evenly throughout the year and profits and losses on realisation of investments are subject to wide variations.

London Transfer Office  
Granby House, 95 Southwark Street, London SE1 0JA.  
26th July, 1976.

In profits in accordance with their overall participations in the Joint Area. It is envisaged that Trans-Natal Coal Corporation Limited will be appointed technical managers for the joint venture. Formal agreements to give effect to the foregoing are in course of preparation.

Maximum economic and technical advantages are expected to flow from the exploitation of the coal rights of the parties on a regional and joint basis.

3. The assets of the Company at 30th June, 1976, were as follows:-			
	R(000)	R(000)	R(000)
Mineral rights and prospecting expenditure	69	—	—
Investments at book value	33,258	35,473	33,200
Net current and other assets	2,336	950	1,809
Total net assets	35,663	36,423	31,392

Market value of investments (including directors' valuation of unlisted investments)

	93,839	130,372	101,081
4. A final dividend of 25 cents per share in respect of the year ended 31st December, 1975, was paid to members registered at the close of business on 13th February, 1976.			
5. No provision has been made in the above half-yearly figures for the writing down of investments as this provision is calculated at the Company's financial year-end and is related to market prices ruling at that date.			

**DECLARATION OF DIVIDEND.** An interim dividend No. 26 of 10.0 cents per share for the half-year ended 30th June, 1976, has been declared payable to members registered in the books of the Company at the close of business on 6th August, 1976.

The dividend is payable in South African currency. Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency; the date for determining the rate of exchange at which South African currency will be converted into United Kingdom currency will be 24th August, 1976. Such members may, however, elect to be paid in South African currency provided that any such request is received either at the Registered Office or London Transfer Office on or before 6th August, 1976.

Dividend warrants will be posted from the Registered Office and London Transfer Office on or about 16th September, 1976.

The register of members will be closed from 9th to 13th August, 1976, inclusive.

The dividend is payable subject to conditions which can be inspected at the Registered Office or London Transfer Office of the Company.

# Geduld Investments Limited

(Incorporated in the Republic of South Africa)

### HALF-YEARLY STATEMENT

The unaudited consolidated accounts for the six months ended 30th June, 1976, and the comparative figures for 1975, show:

	January to June 1976	January to June 1975	Year 1975
R(000)	R(000)	R(000)	R(000)
Income from investments	1,398	1,340	2,254
Net surplus on realisation of investments	13	171	322
Surplus on disposal of property	5	—	30
	1,416	1,511	2,606

From which must be deducted:			
Net sundry expenditure	47	(47)	(58)
Directors' fees	9	6	15
Provision for writing down investments	—	—	(139)
Reversal of surplus on sale of property in previous year	—	—	4
Goodwill on consolidation written off	56	(41)	(41)
	1,360	1,552	2,647
Consolidated profit before taxation	1,360	1,552	2,647
Taxation	5	4	53
Minority shareholders' interest	—	1	—
CONSOLIDATED PROFIT AFTER TAXATION	1,355	1,547	2,594
Cost of interim dividend	557	557	—
Number of shares in issue (000's)	4,283	4,283	4,283
Earnings per share (cents)	31.6	36.1	60.6
Dividends declared (cents per share)	13.0	13.0	40.0

**NOTES:**

1. It should not be assumed that the results for the half-year ended 30th June, 1976, will necessarily be repeated in the half-year ending 31st December, 1976, since income from investments does not accrue evenly throughout the year and profits and losses on realisation of investments are subject to wide variations.

London Transfer Office  
Granby House, 95 Southwark Street, London SE1 0JA.  
26th July, 1976.

	January to June 1976	January to June 1975	Year 1975
R(000)	R(000)	R(000)	R(000)
Income from investments	1,398	1,340	2,254
Net surplus on realisation of investments	13	171	322
Surplus on disposal of property	5	—	30
	1,416	1,511	2,606

From which must be deducted:			
Net sundry expenditure	47	(47)	(58)
Directors' fees	9	6	15
Provision for writing down investments	—	—	(139)
Reversal of surplus on sale of property in previous year	—	—	4
Goodwill on consolidation written off	56	(41)	(41)
	1,360	1,552	2,647
Consolidated profit before taxation	1,360	1,552	2,647
Taxation	5	4	53
Minority shareholders' interest	—	1	—
CONSOLIDATED PROFIT AFTER TAXATION	1,355	1,547	2,594
Cost of interim dividend	557	557	—
Number of shares in issue (000's)	4,283	4,283	4,283
Earnings per share (cents)	31.6	36.1	60.6
Dividends declared (cents per share)	13.0	13.0	40.0

**NOTES:**

1. It should not be assumed that the results for the half-year ended 30th June, 1976, will necessarily be repeated in the half-year ending 31st December, 1976, since income from investments does not accrue evenly throughout the year and profits and losses on realisation of investments are subject to wide variations.

London Transfer Office  
Granby House, 95 Southwark Street, London SE1 0JA.  
26th July, 1976.

2. The consolidated assets of the Company at 30th June, 1976, were as follows:-

	30.6.76	30.6.75	31.12.75
	R(000)	R(000)	R(000)
Property	—	—	41
Investments at book value	17,454	15,979	16,694
Debtors on extended terms and net current and other assets	854	1,555	295
Total net assets	18,349	17,576	17,030

Market value of investments (including directors' valuation of unlisted investments)

	24,562	31,106	26,302
3. A final dividend of 27 cents per share in respect of the year ended 31st December, 1975, was paid to members registered at the close of business on 13th February, 1976.			
4. No provision has been made in the above half-yearly figures for the writing down of investments as this provision is calculated at the Company's financial year-end and is related to market prices ruling at that date.			

**DECLARATION OF DIVIDEND.** An interim dividend No. 123 of 13.0 cents per share for the half-year ended 30th June, 1976, has been declared payable to members registered in the books of the Company at the close of business on 6th August, 1976 and to persons presenting bearer warrant coupon No. 123 in terms of a further notice to be issued from the office of the London Secretaries and published on 27th August, 1976.

The dividend is payable in South African currency. Registered Members with payment addresses in southern Africa will be paid from the Registered Office and the warrants will be drawn in South African currency. Registered Members with payment addresses elsewhere will be paid from the London Transfer Office and warrants will be drawn in United Kingdom currency; the date for determining the rate of exchange at which South African currency will be converted into United Kingdom currency will be 24th August, 1976. Such Members may, however, elect to be paid in South African currency provided that any such request is received either at the Registered Office or London Transfer Office on or before 6th August, 1976.

Dividend warrants will be posted from the Registered Office and London Transfer Office on or about 16th September, 1976.

The register of members will be closed from 9th to 13th August, 1976, inclusive.

The dividend is payable subject to conditions which can be inspected at the Registered Office or London Transfer Office of the Company.

per pro. UNION CORPORATION (UK) LIMITED  
London Secretaries  
L. W. Humphries,  
Princes House, 95, Gresham Street, London, EC2V 7BS.











## EDINBURGH OFFICE DEVELOPMENT

The opening of a major new office complex in Edinburgh is particularly welcome at a time when the market has been severely depressed. The development by Scottish Widows' could mark the beginning of an upsurge in demand for office space in the city.

### Striking contrasts

By HAROLD BROCKMAN, Architecture Correspondent

THE DISTINGUISHED dark carefully detailed. They are all glazed headquarters buildings overlooked from the nearby for the Scottish Widows Fund Park and the lower roofs also by and Life Assurance Society, employees in the upper storeys Edinburgh, is fortunate in its of the buildings; care was taken magnificent six acre sloping island site, overlooked by features such as lift motor Arthur's seat and Salisbury Crags. It lies opposite, and in contrast to, the white concrete facings of the Royal Commonwealth Pool.

This contrast is most striking as each building is highly successful in its own particular way, both inside and out. The building under review has many features of great quality. It is planned as a series of interlocking hexagons each some 30 metres across, and accommodates a staff of some 1,700 in all. This resulted in an unusually shaped building of varying height, up to 80 feet, with the walls clothed in brown glass. The hexagons are roofed with zinc at a very low pitch, ribbed across from angle to angle and

The structure is of reinforced concrete, exposed over the entrances. Variations of level in the site gave opportunities for interesting landscaping which is now beginning to mature. Particularly happy is the insertion of a two level car park at the lower end of the site which is roofed by a garden. Large pools penetrate below the building, the circular columns rising from the water to support the structure above. Boundary walls are formed exterior, the hexagonal shapes being of varying height, up to 80 feet, with the walls clothed in brown glass. The hexagons are roofed with zinc at a very low pitch, ribbed across from angle to angle and

almost metallic appearance to way achieved a ceiling pattern placed inside the cavity with the slats fixed horizontally to maintain the fine views from all parts of the interior. Temperature variations work thus: air from the office interior is drawn through a slot at the base of the inner pane up around the venetian blind into the ceiling void. It is then returned to the central air handling plant for reconditioning and recirculation. In this manner the temperature of the inner glass can be kept near to that of the room whatever external weather conditions may be.

#### Variations

The floor to ceiling glazing of the enclosing walls was designed on a developed system diameter according to their function. Artificial lighting is in long narrow parallel ceiling strips which, extending for an unbroken length of 30 metres Each section of the window wall somewhat monotonously thus comprises an outer sheet emphasise the size of these of brown solar glass and an great hexagonal spaces, whereas inner sheet of clear toughened it would perhaps have been glass arranged to open for more amenable to have in some cleaning. Venetian blinds are

and humidity and the volume of air is varied by thermostatic control. Ancillary air systems for perimeter areas work in conjunction with the window extract. The continuous recessed ceiling trunking contains the lighting source forms an integral part of the finished ceiling, "the remaining extract air requirements being for Scotland and the Scottish Development Department early spaces through these lighting in 1972. Brown solar glass was

troffers into the ceiling void and back to the central air-handling plant. Individual work-stations are provided with floor outlet boxes connected with telephone, power and visual display units. Each office is linked to a central basement store by a document conveyor system. The fire alarm system is connected to the local fire station. A computer suite occupies one complete hexagon, incorporating strict precautions to safeguard equipment and magnetic tapes from fire and mis- by means of fire shutters and dividing walls. Smoke detectors are linked to automatic fire extinguishers and extract. The continuous recessed ceiling trunking contains the lighting source forms an integral part of the finished ceiling, "the remaining extract air requirements being for Scotland and the Scottish Development Department early spaces through these lighting in 1972. Brown solar glass was

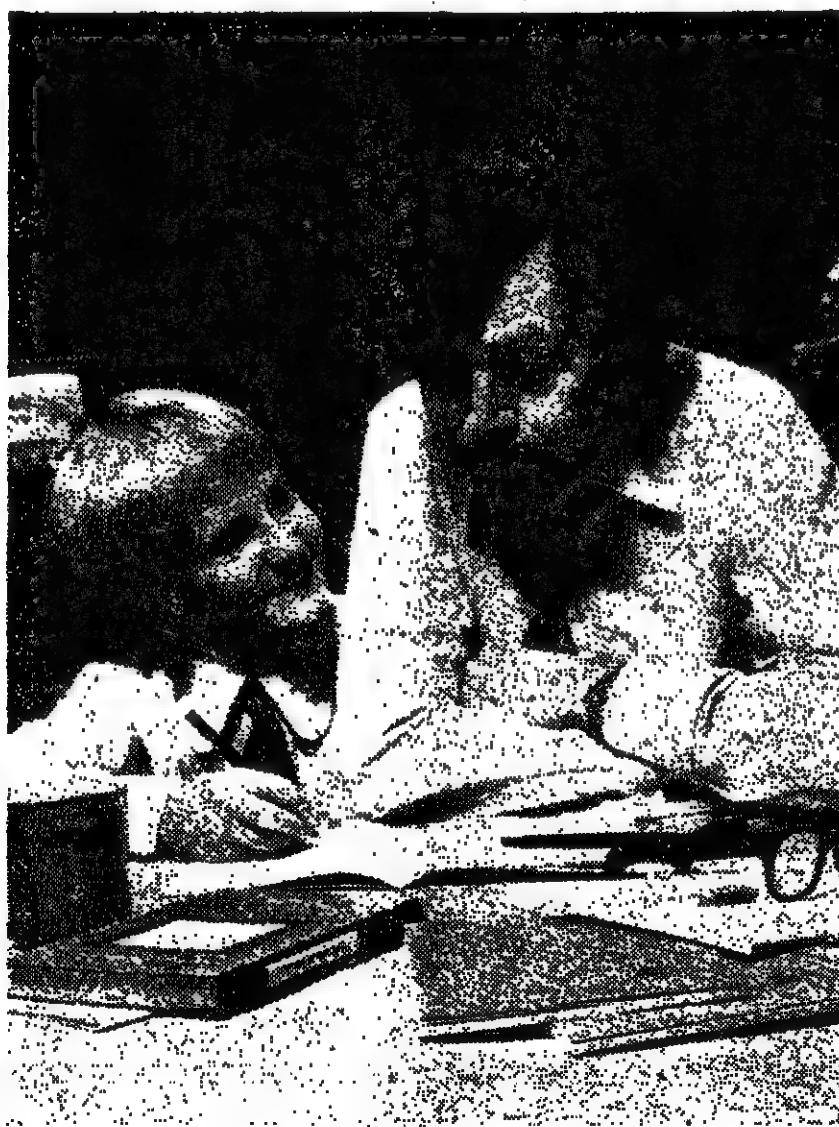
only then just came as an entire building, but I can see the first time it is the outer skin of a ventilated wall.

#### Material

The use of this should not, as it were, be allowed to mean whole area of a low variations in the openings of the said to afford it just. It is the internal lift this building in class of thorough and sometimes designed areas; part multi-level canteen spatial feeling come those odd corners smaller units. which give it the atmosphere of a first-class restaurant it is good to feed an

**DESIGN AND CONSTRUCTION**  
Architects: Sir Basil Spence, Glover and Ferguson.  
Structural Engineers: Ove Arup and Partners.  
Services Engineers: Stevenson, Varnall, Mulcahy and Partners.  
Quantity Surveyors: J. D. Gibson and Simpson.  
Landscape Architects: Dame Sylvia Crowe and Associates.  
Managing Contractor: Bovis Construction.

Did they have algebra when you were at school, dad?



You're sitting in front of the television, your brain curled up and dozing when this voice says: 'How's your algebra, dad?' And you adjust the set and stall a bit, searching for a reply that won't compromise you. Then he hits you where it hurts most—right in your date of birth. 'Didn't they have it when you were at school, dad?' And while you're still on the canvas from this one he switches to history and asks you what you remember about Lloyd George.

And they're the easy questions. Wait till he's asking you 'Can I go to university?' or 'Can you help me start my own business?' Fortunately, life assurance can help with questions like these. Take a Scottish Widows With Profits Endowment Policy for example. It can provide a handsome nest-egg to help solve most of the major financial problems you and your family expect to meet. And when he asks

you about compound interest you can dazzle him.

At Scottish Widows that's what we believe life assurance is all about: helping you live your life to the full. Ask your broker about our approach. About our policies. About our record.



**SCOTTISH WIDOWS**  
A better life assurance.

### Market starts to pick up

THE RECESSION has brought a substantially in Edinburgh. The first is the exploitation of North Sea oil and gas. While oil companies and diving and drilling firms have opted to establish their Scottish offices in Aberdeen and Glasgow has attracted Government agencies such as the Offshore Supplies Office of the Department of Energy and the British National Oil Corporation, Edinburgh remains the financial centre of Scotland. The last few years have seen the arrival of a number of banks and other financial institutions not previously represented in Scotland and anxious to share in the development. The trend extends to peripheral areas of the city, although not quite so obviously.

The Planning Department of Edinburgh District Council estimates that starts have been made on new office buildings totalling nearly 1m square feet which have as yet no prospective tenants. Speculative building of new blocks has declined markedly over the last year or so. Outline or full planning permission has been granted for another 860,000 square feet on which no start has been made and consent has expired on permissions for a further 1m square feet, but could easily be renewed if anyone showed interest.

Yet there are signs that demand could pick up soon and when it does this surplus will not be sufficient to meet it. The recession may have depressed speculative building in outer city areas, but refurbishment of existing blocks in the centre, or in a few cases the building of new blocks behind maintained facades, has continued. Completed blocks have always been a popular investment in Edinburgh, providing a secure, if not very spectacular, important issue and the much larger business area gives more flexibility. Two factors suggest that demand will rise

it may now be as 1 months after completion some are full. There are still a few new as modernised George Street, as well as smaller units. Rents remained steady over year at around £3.50 per sq ft. When the slack up, however, space becomes scarce, as the Council has a policy of expansion to 10 of existing area, but conservation and traffic

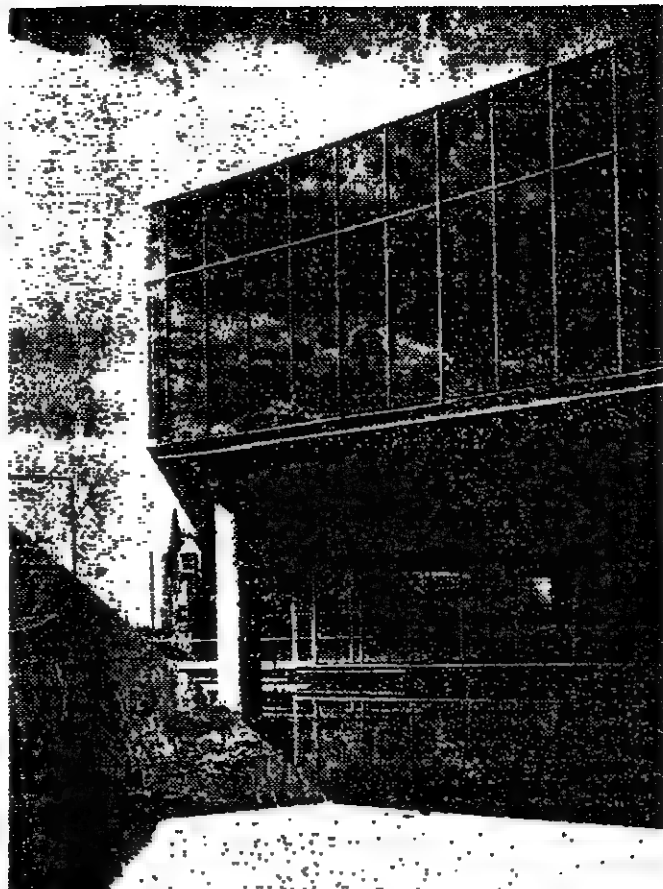
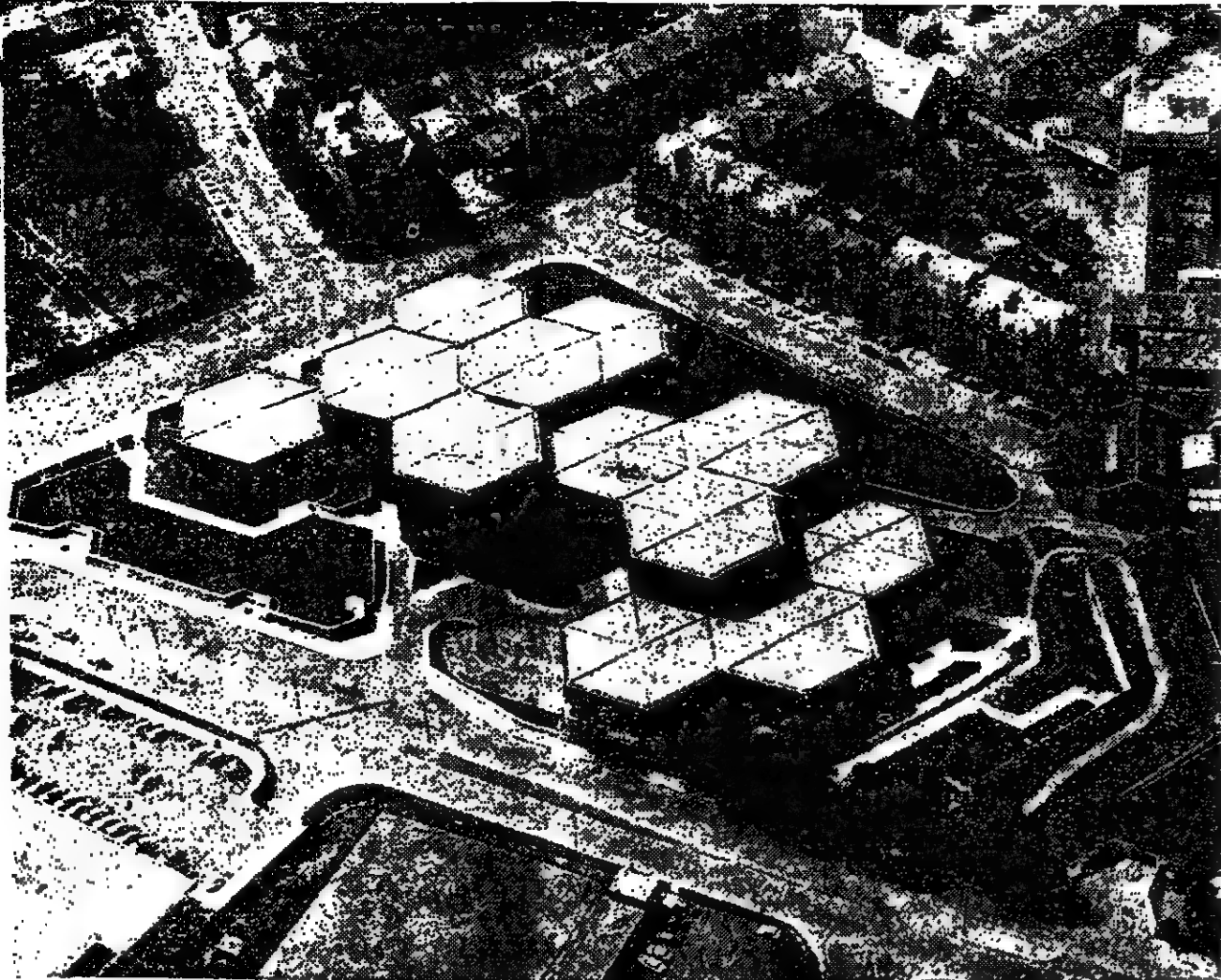
#### Impression

Outside the centre, the council encourages new development, but the number of planning consent standing gives a false impression of the possibility of expansion. Nearly 1m sq ft of consents are the Gyle Industrial Estate west of the city which convenient for the road links to Glasgow Central Scotland, and the community and has proved unattractive. Standard Life has a new block there, since withdrawn. acres of the site zoned for office development. Of the remainder, about 500,000 square feet in Leith, the once port area of Edinburgh has sadly been allowed to decline. It is also attractive area to blocks reflect the requirements by development. About £4 foot is being asked for blocks, and up to conditioned building.

Ray  
Scottish Cor



## EDINBURGH OFFICE DEVELOPMENT II



Aerial view of the Scottish Widows' new building with its interlocking hexagonal sections (left). A detail shows the boundary walls in York stone and the glazing design (above).

# Scottish Widows' follows tradition of independence

LY contact I had with assurance business in was when, having me comparative figures policy, I received an call from a Scottish "Who worked out the office boy?" I protested that the had been done by a of the Institute of "I am a Fellow of ty of Actuaries," came which effectively put the conversation. are me an insight in to pendent spirit of life in Scotland and ie Scottish life offices take a highly l line on most topics. se the reason is that, being the poor relation English life assurance Scottish life assurance the early years of the ury and the Scottish s between them trans- imately one-sixth of dinary life business in

By the start of the 20th century, Scotland had a well-established life assurance industry, which because of its mainly "mutual" character (all the profits belonging to the participating policyholders) remained well-entrenched against takeovers from south of the border. The result is that whereas only one composite office is still under Scottish control, there are nine independent life offices in Scotland, eight of which are mutuals. So there is plenty of scope for the exercise of independent attitudes, illustrated in recent years in the debates on rescuing failed life companies and the Equity Bank. The underlying attitude of the Scots tends to be that rescuing or propping up lame ducks encourages the growth of more lame ducks, so their enthusiasm for such schemes is usually muted.

As for Scottish Widows' itself, the idea for the society was evolved between 1811 and 1812. The company's historical booklet paints a dramatic picture of those early days. "Snow-laden gales from the North-East swept the Lothians for days on end. Drifts nearly 20 feet deep piled up in the valleys around Arthur's Seat. . . . Mail coaches were halted and the City was almost cut off from the world around." With Napoleon attacking Russia thrown in for good measure, it scarcely seemed a propitious time to set up a fund for "securing provision to widows, sisters and other females," to be called the Scottish Widows' Fund.

Coming up to the present day, Scottish Widows' current business is carried on throughout the U.K. with only 19 branches, and so on. Here too Scottish influence being North London in 1971 and

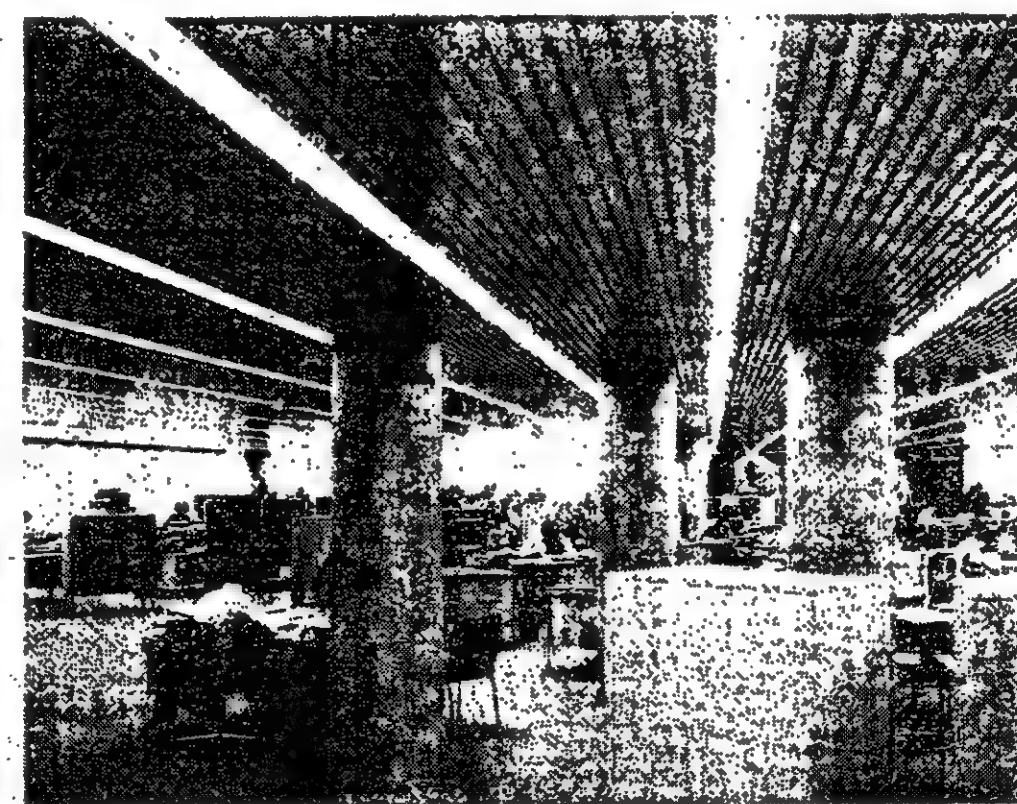
Brighton in 1972. The comparatively small number of branches contributes towards keeping the Society's expense ratio at a low level and the overall introduction of new business is broker-oriented.

In the past at least this had led to a concentration of professional men being the main policyholders. Contracts emphasise the longer term aspects of life assurance and in addition to ordinary business, annuities and pensions, the Society also transacts group permanent health and capital redemption assurance business. Pensions management is a subsidiary and provides management services for pension funds.

The Scots have always enjoyed a reputation for being sound money managers and indeed the maturity values under endowment assurances provide support for this. The nine surveys carried out by the Economist between 1950 and 1975 shows that Standard Life and Scottish Widows' were among the top four in respect of with-profit maturity values after 25 years in all cases. Only two offices have always appeared in the top ten and these are the Scottish Widows' and Standard Life.

## Reputation

However, one of the constant sources of amazement to the layman is that there can be such wide disparities in maturity values between the best and the worst of life assurance companies. It is also interesting to look at unit-linked results which directly reflect underlying performance and iron out the differences in expense ratios and so on. Here too Scottish Widows' seems to have done



Office interior at Scottish Widows' new building.

well with its unit-linked Investment Policy. Having started early on in 1968, £1,000 invested at that date would have been worth £3,120 by April 1, this year, outstripping the gain in the F.T. All Share Index by a wide margin. The fund amounted to £11.3m. at that date.

It is interesting in this respect that linked life assurance enjoys considerable support in Scotland itself. The 1975 Financial Times survey on personal savings and wealth in Britain illustrated the point that 10.1 per cent of Scots interviewed in its sample had linked life assurance compared with 8.7 per cent for the U.K. as a whole. But of course Scots awareness of life assurance tends to be high anyway.

Compared with 26.4 per cent for the U.K., 34 per cent of Scots had a life assurance policy of some description. On the other hand enthusiasm for investment, direct investment into stocks and shares or risk bearing funds seemed to be markedly lower.

The tendency is to leave investment to the professionals and, as I have already remarked, the professionals in Scottish life assurance have a very cool attitude towards "socially desirable" government-backed projects. Insurance companies have to keep a sound balance between maximum reward and security for the policyholder. This does not mean that the Scottish companies are unadventurous investors. The Scottish life offices have been prominent backers for North Sea offshore and onshore operations.

But they have not always escaped criticism. Even their most fervent admirers could not accuse them of being gifted communicators at least until recently when some of the ingrained propensity for secrecy has disappeared. A particular row which blew up which closely concerned Scottish Widows' was the reduction in surrender rates on life policies in late 1974 following the collapse of the stock market and the steady rise in interest rates.

The surrender value of a traditional life policy is the amount by which a life company is prepared to pay a policyholder for an early "cash-in" before the maturity date. The cuts of, in some cases, more than 50 per cent were pretty drastic but the controversy was over the lack of any public announcement.

The defence was that companies do not normally make announcements about surrender value changes. However, the circumstances were far from normal and the clearing banks at least thought they ought to have been told in view of the great numbers of policies which are held as security for loans. More recently there has been a more open policy in this respect and Scottish Widows' lost no time in informing the world that it had improved its surrender values following the market recovery in the first few months of 1975.

## Initiatives

Similarly, by contrast with their U.K. counterparts in the life assurance field, who tend to support Government initiatives, the Scottish companies seem to almost delight in taking an anti-establishment stance. This has exposed them to criticism that they are slow to adjust to changing conditions and oppose for the sake of opposing. But perhaps it is a good thing that there are powerful forces sufficiently far away from London who question the wisdom of using the savings of ordinary people to back officially inspired schemes. This is the way the wind seems to be blowing at the moment and there is a tendency for institutions to take the attitude that allocating a small proportion of policyholders' funds is fair enough. Where the Equity Bank was concerned, Scottish Widows' eventually decided to take up its initial allocation—but it was the only major Scottish life office to do so.

Christopher Hill

# Bovis the managing contractor

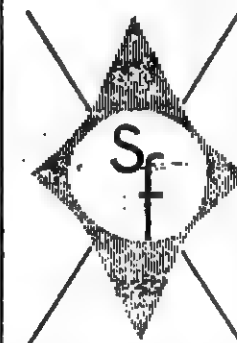
## Bovis

Bovis Construction Ltd.,  
Bovis House,  
Northolt Road,  
Harrow, Middx. HA2 0EE  
Telephone: 01-422 3488

London, Bristol, Coventry,  
Tehran, Paris, Antwerp  
and Amsterdam.

## SF-THE AIR TECHNOLOGISTS

SAFEGUARD YOUR INVESTMENT WITH  
RELIABLE AIR CONDITIONING  
EQUIPMENT AND SYSTEMS



- Air handling unit and packaged plant rooms
  - Induction units and VAV equipment
  - Terminal units and fan coils
  - Cooling towers and closed circuit systems
  - Axial and centrifugal fans
  - Grilles, diffusers and duct fittings
- And ensure reliability by using SF's unique range of system design computer programs.

FOR  
PERFORMANCE, QUALITY  
DELIVERY AND SERVICE  
SPECIFY

**Fläkt**  
SFAir Treatment Ltd.

Staines House, High Street, Staines, Middx.

Tel: Staines 57221

INTERCRAFT WERE PLEASED TO SUPPLY SYSTEM OFFICE FURNITURE THROUGHOUT THE NEW HEADQUARTERS OF THE SCOTTISH WIDOWS FUND.

INTERCRAFT MANUFACTURE THE MOST COMPREHENSIVE RANGES OF SYSTEM OFFICE FURNITURE -

STANDARDISED ON EITHER WHOLLY OR PARTLY BY MANY OF THE WORLD'S LEADING INTERNATIONAL COMPANIES.

SHOWROOMS 1ST FLOOR  
BERKELEY SQUARE HOUSE  
BERKELEY SQUARE  
LONDON W1  
TELEPHONE 01 493 1725

# INTERCRAFT

## ECONOMIC FORESTRY (SCOTLAND) LTD.

are proud to have carried out all landscaping on the new Scottish Widows project.

E.F.G. (NEW LANDS) LTD.,

High Blantyre, Glasgow.

Telephone: Blantyre 825111

Inverness, 7/8 Resaurie, Smithton

Telephone: Smithton 791101

## McGOWAN CONSTRUCTION LTD

### Responsible for

1. Site excavation Phase II.
2. Ornamental Pools and Boundary Wall Contracts.
3. Responsible for carrying out the Hard Landscaping and Drainage Contracts at the New Head Office of the Scottish Widows Life Assurance Company.



BRAEHEAD QUARRY  
WEST CRAIGS ROAD  
EDINBURGH EH12 0AA  
Tel. 031-334 8121/4



# Drifting despite bullish earnings

## Sterling weaker

BY OUR WALL STREET CORRESPONDENT

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

Canada again lower

Canadian Stock Markets lost further ground in very light trading yesterday. Only Banks, up 1.08 to 239.52 on index, moved against the general trend.

The Industrial Share Index shed 0.06 to 186.93, Golds 1.88 to 247.37, Base Metals 0.37 to 91.79, Western Oils 2.31 to 222.83, Utilities 0.63 to 142.33 and Papers 0.18 to 117.73.

Dome Petroleum dipped \$1 to \$38.31, while Canadian Pacific rose \$1 to \$38.31.

Royal Trust lost \$1 to \$10.50, while Canadian National rose \$1 to \$10.50.

Bank of Montreal rose \$1 to \$10.50, while Canadian Imperial Bank rose \$1 to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

BRUSSELS - Generally lower at the start of the day, but KBD and GHX each shed DM1.

Bond Market trading was very quiet although the basic note remained firm. A few loans lost up to DM1.50 but the authorities barely intervened.

Mark Foreign Loans were steady, with MAJ up DM2, but KBD and GHX each shed DM1.

MILAN - Lower over a broad front in moderate trading, unsettled by continued uncertainty over the formation of the new Italian Government.

Anic further declined L78 to L75 in the wake of its capital write down plans announced last week.

VIENNA - Quietly steady. Breweries were easier, while in industries were hardly changed.

TOKYO - Prices fell in thin trading as investors awaited further developments from investigations into the Lockheed payoff scandal. Volume somewhat.

Blue Chips, Export-Oriented equities and "high-priced" leading issues lost ground.

Chemicals and Petroleum were also lower.

JOHANNESBURG - Gold shares were easier on lack of interest with the Import Deposit Scheme dampening capital availability.

Financial Minings were also easier in metal trading.

Other metal sectors were slightly off. Platinum was steadier in quiet trading.

Industries were fairly active but generally lower. Collieries were steady.

AUSTRALIA - Markets closed firm after a hesitant opening as Minings attracted buying.

Pancontinental shed 30 cents to \$41.50 while Renison put on 10 cents to \$46.70.

Peko-Wallaced improved 2 cents to \$43.72, despite lower annual copper output. AMB gained 12 cents to \$42.60.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

Sterling lost ground in the foreign exchange market yesterday following selling from the Continent during the morning.

The New York market in the afternoon. Fears about Labor Party Left wing reacted to the announcement of public sector spending cuts may have prompted the selling, but the market was fairly firm with the weakness of the French franc also having a depressing effect on the pound.

Intervention by the Bank of England was probably not enough to stem the fall, but the authorities also continued to support sterling in the forward market. The pound opened at \$1.7810-1.7820, touched \$1.7815-1.7825, before falling to \$1.7785-1.7795, and closing at \$1.7785-1.7795, a fall of 30 points on the day.

The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to 32.7 per cent from 33.3 per cent, after standing at 33.5 per cent at noon and 33.6 per cent at 3 p.m.

The French franc came under further pressure, closing at \$0.4925-0.4935 in terms of the dollar, compared with \$0.4920-0.4930 on Friday. Fairly heavy selling of the franc yesterday morning appeared to meet with little resistance from the Bank of France.

The French unit's trade-weighted depreciation since the Washington Agreement, as calculated by the Ministry of Finance, widened to 1.12 per cent from 1.13 per cent on Friday. The Monetary Fund in Washington.

EXCHANGE CROSS-RATES

July 26 Frankfurt New York Paris London Amsterdam Zurich

Frankfurt 2.4600-0.4610 12.10-12.15 6.40-6.45 16.10-16.15 12.10-12.15

New York 1.00-1.00 1.00-1.00 1.00-1.00 1.00-1.00 1.00-1.00

Paris 6.40-6.45 16.10-16.15 12.10-12.15 6.40-6.45 16.10-16.15

London 16.10-16.15 12.10-12.15 6.40-6.45 16.10-16.15 12.10-12.15

Amsterdam 12.10-12.15 6.40-6.45 16.10-16.15 12.10-12.15 6.40-6.45

Zurich 12.10-12.15 6.40-6.45 16.10-16.15 12.10-12.15 6.40-6.45

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

MCA fell \$2 to \$30, although it estimated second quarter earnings at \$1.17 a share, compared with \$1.14 a year earlier.

American Ship Building surrendered \$1 to \$11, while Mesa to \$10.50.

PRICES DRIFTED in reduced volume on Wall Street today despite generally bullish corporate earnings and a reduction in the prime interest rate by a large Mid Western Bank.

The Dow Jones Industrial Average finished 0.50 up at 991.31, but the NYSE All Common Index shed one cent to 55.62, while issues outperformed gains by 74.40-59.1.

The market showed a small early gain following a prime rate cut of 1 per cent, 107 per cent by First National Bank of Chicago. However, other major banks held their prime at 7 1/2 per cent.

In the economic news, second-quarter productivity rose at a 3.6 per cent annual rate, compared with a 7.5 per cent rise in the first quarter.

GOLD MARK

Gold Bullion - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Coins - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Bars - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Jewellery - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Watches - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Rings - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Bracelets - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Necklaces - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Earrings - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Brooches - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Pins - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Buttons - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Buckles - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Belts - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Scarves - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Gloves - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Socks - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Shoes - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Hats - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Coats - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Dresses - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Skirts - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Blouses - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Shirts - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Ties - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Suits - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Pajamas - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Underwear - A spot ounce, \$1124.115, following selling from the Continent during the morning.

Gold Socks - A spot ounce, \$1124.115, following selling from the Continent during the morning.







## STOCK EXCHANGE REPORT

# Widespread setback following reaction in sterling

## Share index down 7.7 at 370.7—Falls to 1½ in Gilts

Account Dealing Dates  
Option  
First Declared Last Account  
Dealings Date Dealings Day  
July 22 July 23 Aug. 3  
July 26 Aug. 5 Aug. 17  
Aug. 9 Aug. 20 Sep. 1

\*New time "dealings" may take place from 9.30 a.m. on business days earlier

Fears of growing opposition to the Cabinet's proposed spending cuts coupled with a reaction in sterling, which in turn gave rise to talk of higher domestic interest rates, prompted a sharp setback in stock markets under the lead of British Funds. Compared with the recent low level of business, there was quite a lot of activity in the Funds, particularly at the short-end where a fair amount of stock came on offer: falls ranged to 1, the short "top" Treasury 90 per cent, 1981, reacting that amount to 91. Nevertheless, a few buyers put in an appearance in the late trading and closing quotations were inclined to steady. Long-dated issues also encountered selling, but much of the day's falls had reflected preliminary marking down. Losses at the longer end ranged to 1½ and the Government Securities index fell 0.83 to 61.68, its biggest one-day fall since June 2 last.

Leading equities ended the day with losses of around 8 and occasionally more and the 30-share index closed 7.7 down at 370.7, only 6 points above its 30-day "low" for the year of 364.7. Although selling was mainly small and of a profit-taking nature, some sizeable lots of stock also came on offer which jobbers found difficult in placing.

Rid stocks, both rumoured and actual, continued to provide the occasional bright spot but the widespread nature of the setback in equities was illustrated by the 6-1 majority of falls over rises in FT-quoted Industrials and by a reaction 1.8 per cent. to 154.23

in the FT-Actuaries All-Share index. The start of a new account failed to produce any increase in the recent low level of activity; official markings of 4,472 compared with 4,460 last Friday and 5,108 a week ago.

After last Friday's 31 points fall in the premium on increased arbitrage selling, calmer conditions prevailed in the investment currency market yesterday, a moderate two-way business leaving the rate ½ better on balance at 162½ per cent., after touching extremes of 163 and 161½. Yesterday's SE conversion factor was 0.7255 (0.7185). Antofagasta Railway followed last Friday's one point rise on the profits unchanged with a fresh gain of 1 to 111½.

### Insurances sold

Publicity given to a broker's adverse circular upset insurance composite shares, which drifted down steadily on small selling and lack of support. Sun Alliance ended 10 off at 390 and Phoenix declined 5 to 200, while "Royals" gave up 5 to 28½ and Commercial Union and Eagle Star were both 5 cheaper at 118½ and 112½ respectively. Brokers also took a distinct turn for the worse, with Leslie and Godwin particularly weak at 110½, down 13, following news that the group are negotiating with Wigham Polard with a view to a possible merger. C. E. Heath lost 8 to 41½ and Hogg Robinson shed 3 to 150½. Robert Forbes also declined 1 to 23½ as did Matthews Wrightson to 177½.

After last Friday's encouraging start to the interim dividend season, when the better-than-expected first-half profits statements from Lloyd's and Midland brought increased turnover, business tailed off disappointingly yesterday. The former, at 233½, lost 5 of Friday's gain of 7

and the latter gave back 3 to 277½. National Westminster, with interim figures due to-day, recorded 3 to 225½, while Barclays (interim due Thursday) cheapened 2 to 280½. Overseas

trend, Blockleys hardened 2½ to 350 and James Latham moved up 5 to 123½.

ICI typified market conditions, closing 7 easier at 351½, after 350½. Elsewhere in Chemicals, Farm fell 4 to 54½ and Fluoro reacted 5 to 187½. ICI of 350½. Brent eased 2 to 93½ as did Laporte to 96½.

Press comment on the industry's prospects failed to create much activity in Television Contractors, which closed easier where changed.

Leading Stores attracted a reasonable turnover before closing at or near the day's lowest, Marks and Spencer were finally 4 off at 89½, after 97½, while House of Fraser, 82½, and "Gussey's", A. 184½, both closed 3 easier. British Home Stores shed 4 to a 197½ "low" of 198½. Thomas Marshall Investments were quoted 40p for the scrip issue. Fairfairs Textile attracted buying interest, the Ordinary and "A" both finishing 2 better at 21½ and 15½ respectively. Mail Orders continued in easier vein, Canadian Warehouse shedding a penny to 81½ and Empire Stores losing 2 to 88½.

Light selling and lack of support left the Electrical leaders closing with declines to 3, as in EMI 223½. GEC were 4½ down at 150½ and Thorn Electrical 4 cheaper at 226½, while BICC, 110½, and Raytheon Parsons, 116½, shed about 2 apiece. However, after earlier dullness, the disappointing first-quarter performance, Plessey managed to close unchanged at 74½, after 73½. Elsewhere, Brocks Group resisted a downturn, ending 1½ better at 100½, while Woodrow shed a penny to 157½ in front of to-day's interim report, while falls of 2 were sustained by Montague L. Meyer, 36½, and Francis Parker, 7½. Against the

trend, Blockleys hardened 2½ to 350 and James Latham moved up 5 to 123½.

ICI typified market conditions, closing 7 easier at 351½, after 350½. Elsewhere in Chemicals, Farm fell 4 to 54½ and Fluoro reacted 5 to 187½. ICI of 350½. Brent eased 2 to 93½ as did Laporte to 96½.

Press comment on the industry's prospects failed to create much activity in Television Contractors, which closed easier where changed.

Leading Stores attracted a reasonable turnover before closing at or near the day's lowest, Marks and Spencer were finally 4 off at 89½, after 97½, while House of Fraser, 82½, and "Gussey's", A. 184½, both closed 3 easier. British Home Stores shed 4 to a 197½ "low" of 198½. Thomas Marshall Investments were quoted 40p for the scrip issue. Fairfairs Textile attracted buying interest, the Ordinary and "A" both finishing 2 better at 21½ and 15½ respectively. Mail Orders continued in easier vein, Canadian Warehouse shedding a penny to 81½ and Empire Stores losing 2 to 88½.

Light selling and lack of support left the Electrical leaders closing with declines to 3, as in EMI 223½. GEC were 4½ down at 150½ and Thorn Electrical 4 cheaper at 226½, while BICC, 110½, and Raytheon Parsons, 116½, shed about 2 apiece. However, after earlier dullness, the disappointing first-quarter performance, Plessey managed to close unchanged at 74½, after 73½. Elsewhere, Brocks Group resisted a downturn, ending 1½ better at 100½, while Woodrow shed a penny to 157½ in front of to-day's interim report, while falls of 2 were sustained by Montague L. Meyer, 36½, and Francis Parker, 7½. Against the

majority which closed with falls to 5, Hawker, 42½, and Tube Investments at 51½, were both better than a fraction easier at 17½ ex scrip issue. Kvaerner finished a penny cheaper at 24½ ex the "rights" issue, while the new oil-paid shares opened at 10 premium and closed at 10 premium following a small business.

Seaverbrook "A" featured otherwise drab Newspapers and Papers, rising 2 to 23½ in a flurry of speculative buying. Elsewhere, Mills and Allen, at 35½, gave up a penny of last Friday's speculative rise of 2.

Property gains  
Property leaders drifted easier in the trading. Land Securities closed with a loss of 5 to 101½, while English Property shed 2 to 30½. However, a few among the secondary issues which are considered to be possible takeover candidates moved forward on speculative demand. Peachey rose 4 to a peak for the year of 51½, while, in thin markets, Apex advanced 12 to 122½ and Barry 10 to 180½ on the other hand, Oilmen Gas, 151½, declined 4 apiece, while Barrat Developments eased 3 to 38½. Maybrook was quoted ex the 100 per cent. scrip issue at 231½.

The Oil leaders mirrored the general market malaise, with prices retreating on small selling. British Petroleum ended 8 down at 387½, after 395½, while Shell closed 1½ better at 422½, after 424½, and Royal Dutch shed 1 to 537½, after 538½, a penny softer at 43½ and Ultramar 4 off at 124½, while Selsam 3 to 150½. The latter, the interim results due on Thursday, were prominently lower in a thin market at 148½, down 17. Australian issues had weak Natural Resources 3 lower at 66½ after 70½, following Press comment on the result.

Overseas Traders were featured by a fresh advance of 11 to 145½ in Ocean Wilsons, possibly reflecting hopes of a bid from Inchcape, holders of an approximate 15 per cent. stake in the former. Inchcape contrasted with a loss of 10 to 35½ head of Thursday's preliminary results. Harrison and Crossfield received 25 to 47½, while Paterson Zochman "A" 150½, and Gill and Duffus, 185½, both showed declines of 3, but Lorrain, following news of the sugar estate contract with the Governments of Benin and Nigeria were 2 firmer at 60½.

Sellers dominated the processed food Trusts which sustained widespread falls. Aitford Capital were 8 lower at 153½ and Dalgety 7 to 240½. Cedar gave up 3 to 43½ as did Foreign and Colonial to 113½, Lamps Securities 45½ in Subburs, but Guthrie led harder at 7½.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

while Plaxtons (Scarborough), 81½, and Lucas, 210½, lost 2 and 3 respectively. Supra Group were better than a fraction easier at 17½ ex scrip issue. Kvaerner finished a penny cheaper at 24½ ex the "rights" issue, while the new oil-paid shares opened at 10 premium and closed at 10 premium following a small business.

Seaverbrook "A" featured otherwise drab Newspapers and Papers, rising 2 to 23½ in a flurry of speculative buying. Elsewhere, Mills and Allen, at 35½, gave up a penny of last Friday's speculative rise of 2.

Property gains  
Property leaders drifted easier in the trading. Land Securities closed with a loss of 5 to 101½, while English Property shed 2 to 30½. However, a few among the secondary issues which are considered to be possible takeover candidates moved forward on speculative demand. Peachey rose 4 to a peak for the year of 51½, while, in thin markets, Apex advanced 12 to 122½ and Barry 10 to 180½ on the other hand, Oilmen Gas, 151½, declined 4 apiece, while Barrat Developments eased 3 to 38½. Maybrook was quoted ex the 100 per cent. scrip issue at 231½.

The Oil leaders mirrored the general market malaise, with prices retreating on small selling. British Petroleum ended 8 down at 387½, after 395½, while Shell closed 1½ better at 422½, after 424½, and Royal Dutch shed 1 to 537½, after 538½, a penny softer at 43½ and Ultramar 4 off at 124½, while Selsam 3 to 150½. The latter, the interim results due on Thursday, were prominently lower in a thin market at 148½, down 17. Australian issues had weak Natural Resources 3 lower at 66½ after 70½, following Press comment on the result.

Overseas Traders were featured by a fresh advance of 11 to 145½ in Ocean Wilsons, possibly reflecting hopes of a bid from Inchcape, holders of an approximate 15 per cent. stake in the former. Inchcape contrasted with a loss of 10 to 35½ head of Thursday's preliminary results. Harrison and Crossfield received 25 to 47½, while Paterson Zochman "A" 150½, and Gill and Duffus, 185½, both showed declines of 3, but Lorrain, following news of the sugar estate contract with the Governments of Benin and Nigeria were 2 firmer at 60½.

Sellers dominated the processed food Trusts which sustained widespread falls. Aitford Capital were 8 lower at 153½ and Dalgety 7 to 240½. Cedar gave up 3 to 43½ as did Foreign and Colonial to 113½, Lamps Securities 45½ in Subburs, but Guthrie led harder at 7½.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

MY Dart improve  
Persistent small selling in an unconvincing market took its toll of the miscellaneous Industrial leaders, where Glaxo retreated 13 to 380½, Metal Box 11 to 265½, and Bechtel 15 to 170½. Losses of around 6 occurred in Unilever, 432½, Wilkinson Match, 143½, and Reckitt and Colman, 338½. The Australian Broken Hill Bill Producers fell 15 to 190½ on fresh consideration of the fall in profits. Elsewhere, favourable Press comment regarding the bid talks with Lesney Products (3½ cheaper at 81½) led to a recovery, with an improvement of 4 at 53½. U.K. Optical closed 4 firmer at 164½ following the chairman's reaffirmation at the annual meeting of the company's policy of expansion and the Board's rejection of the offer from Pilkington and indication of a near-doubled dividend for the current year; the latter received 5 to 315½, valuing the bid at 182½. Whitehead, at 190½, fell 4 to 89½ following the proposed "rights" offer. British Cigarette closed 8 down at 42½ in a thin market, reflecting business

the previous day's decline. IC Gas were similarly lower at 13½. Brabey Leslie were quoted ex "rights" at 63½, with the new nil-paid at 14½ premium.

Motors and Distributors failed to escape the general downturn. Daimler reacted 4 more to 145½.

## FINANCIAL TIMES STOCK INDEX

	July 26	July 27	July 28	July 29	July 30	July 31
Government Secs.	61.69	61.51	62.40	62.38	62.61	62.61
Fixed Interest	61.68	61.17	62.17	62.24	62.29	62.29
Industrial Ordinary	270.7	278.4	282.4	282.5	286.9	286.9
Gold Mines	116.3	116.0	117.7	121.9	108.8	11
Ord. Div. Yield	5.94	5.83	5.77	5.77	5.70	1
Foreign Exchange	17.29	16.94	16.80	16.79	16.21	16
Phosphate (all)	8.57	8.74	8.86	8.87	9.17	1
Debtless (all)	4.472	4.450	4.515	4.611	4.861	1
Equity turnover (m)	—	49.36	35.10	44.30	28.78	31
Equity turnover (all)	—	11.660	9.535	10.578	10.994	10

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

	July 26	July 27	July 28	July 29	July 30	July 31
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2
10 a.m. 373.8	11 a.m. 374.4	12 noon 371.7	1 p.m. 371.1	2 p.m. 371.2	3 p.m. 371.2	4 p.m. 371.2

AMERICANS (7)	C. E. Coates
CANADIANS (2)	Consolidated Credit
CHINESE (1)	Co-operative Bank
BANKS (5)	Continuian Securities
BEERS (1)	Credit Lyonnaise
BUILDINGS (18)	G. R. Dawes
CHEMICALS (3)	Duncan Lawrie
DRAPERY & STORES (4)	English Transatlantic
ELECTRICALS (2)	First London Securities
ENGINEERING (4)	Harvey Gibbs
FOODS (8)	Anglo-Persian T.W.
INDUSTRIALS (19)	
INSURANCE (1)	
MISCELLANEOUS (1)	
PAPER & PRINTING (1)	



فإذا ما أصل

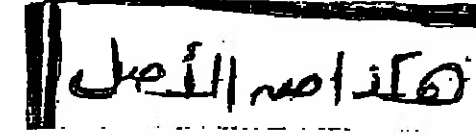
فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل



فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل

فإذا ما أصل







**TRUSTS—Continued**

**"Recent Issues" and "Rights" Page 18**

This service is available to every Company dealt in the Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each company.



## Iran to trade oil for U.S. armaments

BY ROBERT GRAHAM

TEHRAN, July 26.

AGREEMENT IS now expected between Iran and two U.S. oil companies involving the purchase of an estimated \$130m. worth of military equipment by Iran in return for the supply of substantial supplies of crude oil. Negotiations are believed to have reached an advanced stage in a complex deal between the National Iranian Oil Company and Ashland Oil of the U.S. and the smaller east coast New England Petroleum Company (NEPCO).

They have been under way for at least five months, though this has been consistently denied by both parties.

Dr. Henry Kissinger, U.S. Secretary of State, is due here on August 3 for two days of talks, and this highly complex—and in many ways controversial—deal is expected to be discussed then.

It is even thought that it could be finalised since the Iranians are anxious to conclude everything before the U.S. Presidential elections.

The basis for the deal is not a simple barter of oil against U.S. weaponry. It is a much more intricate arrangement that takes account of any potential objections by the Organisation of Petroleum Exporting Countries (OPEC) on the grounds

that Iran might be price cutting. Proposals are being considered on the understanding that the Iranian Oil Company should sell crude at market prices to Ashland and NEPCO.

The money would then be placed in a trust account—managed by General Dynamics but under Iranian control—for Iran to draw on to purchase the General Dynamics F16 fighter aircraft and Spruance class destroyers from Litton Industries.

In Washington, it has been said that the agreement also envisages the purchase by Iran of shares up to a maximum of 25 per cent. in the two oil independents.

But this has not been confirmed here, though Iran last month purchased a 10 per cent. stake in Occidental for \$130m.

Iran has expressed an interest in purchasing up to 300 F16 jet fighters from General Dynamics. General Toufanian, War Vice-Minister in charge of arms procurement, is reported to be keen on the deal which also has the Shah's blessing.

Only three months ago, Iran was forced to cut back its orders for six Spruance class destroyers from 400,000 b/d over a ten-year period.

## New peace plan for Lebanon

BY LOUIS FARES

DAMASCUS, July 26.

AN AGREEMENT to end the feud between Syria and the Palestinian resistance movement and pave the way for a ceasefire that will hold in Lebanon was reported to have been reached in the Syrian capital to-night.

According to Palestinian sources, the four-point agreement will be officially announced following a reconciliation between President Hafez Assad of Syria and Mr. Yasser Arafat, chairman of the Palestine Liberation Organisation, who is expected in Damascus in the next 48 hours.

The draft agreement was apparently reached following prolonged negotiations between a Syrian delegation, headed by Mr. Abdel Halim Khaddam, the Foreign Minister, and a PLO team led by Mr. Farouk Kaddoum, the organisation's chief diplomat and head of its political department.

A senior Syrian official declined to comment on the accord but said "a great step forward had been made." The two delegations had agreed on Sunday to stop all propaganda attacks against each other.

According to the Palestinian sources the official announcement of the agreement will have to wait for two things:

1 — The withdrawal of Syrian troops from the mountain resort of Sofar near Beirut on the main highway to Damascus. Under the agreement they would pull back to the Bekaa Valley in eastern Lebanon — much closer to the border with Syria.

2 — The approval of Lebanon's President, Mr. Suleiman Franjeh, who still commands the allegiance of the majority of the country's Christian population. A special envoy from President Assad was reported to be on his way to Mr. Franjeh's headquarters in the hills above the port of Jounieh with a copy of the agreement.

With heavy fighting still raging in Lebanon, Christian blessing of the agreement is essential if it is to have a chance of working. This would be the 54th ceasefire since the 1975-76 conflict was negotiated at the weekend by the Arab League but did not take effect.

Our Foreign Staff adds: The reported agreement which, if true, is a significant improvement in relations between Syria and the PLO, makes two very big assumptions.

The first is that the Syrians could control the Christians and that the Christians would be willing to stop fighting just when the military tide is beginning to turn in their favour.

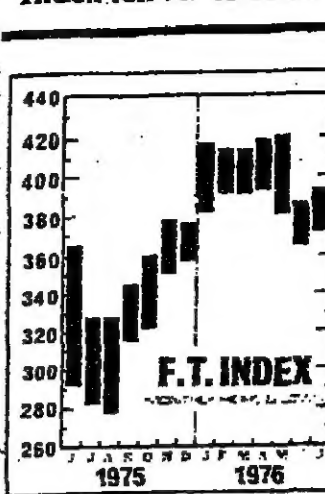
One obvious stumbling block could be the attempt to impose Mr. Elias Sarkis, Syria's candidate for president, on the round-table of Lebanese factions.

The second is that the Palestinians' Left-wing allies in Lebanon, headed by Mr. Kamal Jumblatt, would go along with this Syrian-imposed agreement, having bitterly opposed every previous attempt by Damascus to settle the civil war on its terms.

## U.S. banks under pressure

The 30-Share Index has new lost over 13 points since the Chancellor started speaking last Thursday, and gilts yesterday had their biggest knock since the end of May. Persistent selling throughout the day brought falls of over a point at the long end. With pressures reappearing so soon in the foreign exchange market, the speculation is already turning to what other shots the Government might have left in its locker.

Index fell 7.7 to 370.7



U.S. banks While American industry can look forward to profit growth of the order of 25 per cent. this year, U.S. banks will be happy if their earnings stand still. Unlike Europe's banks, which are cashing in on the economic recovery right from the start, U.S. banks are still suffering from a severe hangover as a result of the recession.

In the first six months of the year net operating income of the top 100 U.S. banks fell by 8.2 per cent. which compares with a 4 per cent. rise for 1975 as a whole. Admittedly the average prime rate has been around 14 per cent since the first half of 1976 but this should have been more than offset by historically high profit margins. The spread between the banks' prime rate and the costs of funds (90-day CDs) has been close to 3 points during the period which is a long way above the average of 0.4 points for the last decade.

Two factors lie behind the dismal out-turn. Clearly, the economic recovery has still not led to any real revival in loan demand; over the past seven weeks loans at ten major New York banks fell by another \$1bn. U.S. companies remain very liquid, and where necessary prefer to tap the commercial paper market for funds at rates of 5 1/2 per cent against a 7.25 per cent prime rate.

More important, however, has been the continued need to make substantial loan loss provisions. The problems of the banks' \$10bn. outstanding loans to the real estate investment trusts are proving far more intractable than first expected. Over the last six months the ten largest U.S. banks had net write-offs of \$570m, which is considerably higher than in the same period last year. Chase Manhattan's net loan provisions, for instance, rose from \$56.5m. to \$137m. in the first six months of this year — 75 per cent. of which refer to real estate.

So far the poor profit performance of the U.S. banking community has not unduly disturbed bank shares. Since the beginning of the year the Keefe Bank stock index (composed of 24 leading banks) has risen by 25 per cent. against a 16.2 per cent. increase in the Dow Jones Industrial.

But short term prospects are clouded by problems on three fronts. First of all there are signs that the U.S. regulatory authorities are going to insist on a far higher level of loan write-offs on REIT loans in the third quarter. Second, banks could soon be forced to write-off part of their New York City debt. Finally, the auditing profession is toying with ideas of altering the way it treats restructured debts in bank balance sheets which could pose a heavy burden on earnings if implemented.

With an upturn in loan demand (now scheduled for the third quarter) and a declining level of loan provisions next year, U.S. bank earnings could rise sharply in 1977. But then they need to after this year's performance.

Takeover bids News that Leslie and Godwin is negotiating an equity offer for Wigham Poland knocked its shares 13p to 110p and a market capitalisation of \$214m. yesterday, and there are probably three explanations. The news seems to put the final nail into the stories about a bid for Leslie itself, which pushed the shares up to 130p in May. Wigham would be quite a mouthful for Leslie which, if it was to match the average multiple of the insurance broking sector,

## Doctors meet Callaghan, but dispute is unresolved

BY DONALD MACLEAN

AN EXTENDED meeting between Mr. James Callaghan and doctors' leaders left the dispute involving the medical profession basically unresolved yesterday.

The doctors discussed their grievances—including the key issue of junior doctors' overtime pay—carefully and at length. Dr. James Cameron, chairman of the British Medical Association Council, said last night.

The doctors expect to be in touch again with the Government on the points at issue, which mainly concern pay and the health service in a few days. The meeting, lasting 13 hours, was held as the junior doctors

protesting over what they feel is a broken overtime agreement, spread their action to more regions.

It was attended on the Government side by Mr. Callaghan and by Mr. David Ennals, Secretary of State for Social Services, and Mr. Albert Booth, Secretary for Employment.

Mr. Callaghan, said Dr. Cameron, had been very sympathetic in listening to the doctors' who have threatened sanctions beyond those now being imposed by junior doctors if their demands are not satisfied, at least in part.

"I am not discouraged by the talks," Dr. Cameron said, A

## Reagan chooses running mate

BY DAVID BELL

WASHINGTON, July 26.

MR. RONALD REAGAN pulled off a completely unexpected coup to-day by announcing that he has chosen a Liberal Republican Senator from the north-east to be his running mate if he wins his bid for the White House in a party's presidential nomination next month.

His choice of Senator Richard Schweiker, of Pennsylvania, caught the Ford campaign staff off guard and is clearly designed to attract many of the North-eastern Republican delegates currently pledged, without much enthusiasm, to President Ford.

Mr. Reagan and Mr. Schweiker can now make inroads into such large delegations as Pennsylvania or New York. Mr. Ford will be in very serious trouble.

Mr. Roger Morton, President Ford's campaign manager, wasted no time in branding the Reagan announcement as opportunistic and as a last ditch attempt to stave off defeat.

"Mr. Reagan... has bargained away the second round office in the land for a handful of Pennsylvania delegates."

Mr. Ford, he said, had showed of such imagination at a two years in the White House had still not even decided on a Vice-Presidential choice. He had been campaigning so badly so far this year that, if nominated, Mr. Carter would probably make "peanut butter jelly out of him."

It is the first time that a Presidential candidate has announced his Vice-Presidential choice so long before a contested convention, and Mr. Reagan insisted in Los Angeles to-day that, despite some differences between them the Senator had been his first choice.

## Amin tells Uganda 'explosions are anti-tank weapon trials'

BY QUENTIN PEEL

NAIROBI, July 26.

AMID UNCONFIRMED reports in Nairobi of an attempted attack on President Amin's headquarters, Uganda Radio to-night urged the population not to worry about explosions heard at the President's command post.

The broadcast coincided with suggestions that President Amin had attempted to flee the country after being given an ultimatum to leave by his Defence Council.

Uganda Radio quoted a military spokesman as saying that explosions heard at the command post on Saturday night were caused by President Amin and his family trying out the latest Soviet anti-tank and anti-aircraft weapons.

The same broadcast announced that 20 police officers had been retired "in the public interest," because they were not performing their duties efficiently.

Reports in Nairobi to-day referred to three further explosions occurring in Kampala last night, as well as some shooting. But the atmosphere here now is so tense, that it is very difficult to know how much credence to give the stories.

Both Nairobi newspapers to-day carried detailed stories of unrest in Uganda, without identifying sources.

The East Africa Standard said President Amin had escaped from a group of heavily armed troops who had stormed the command post. A football match nearby was abandoned in disorder after firing in the streets.

The Ugandan leader had been changing his hiding places incessantly since the President's Defence Council had overruled his desire to "go on leave" outside the country, added the newspaper, quoting "well-placed Ugandan sources."

The Daily Nation, which has reported mutinies by three battalions in recent days, said the Uganda Army was becoming increasingly demoralised because of food shortages.

While tonight's Uganda Radio broadcast lends some credibility to the reports, it still pursued a bellicose line against Kenya.

The military spokesman was quoted as saying that in spite of the shortage of fuel, now down to three days' supply on President Amin's own reported estimate, the Ugandan Army was capable of fighting for three months.

But the shortage meant that Entebbe airport was unable to refuel any aircraft other than those belonging to President Amin's fledgling Uganda Airlines, which is believed to possess four aircraft, most of them small or old by international standards.

Although East African Airlines said tonight that a flight via Entebbe tomorrow was still scheduled to land there, several flights have overflown Uganda recently because no passengers were joining or leaving at the airport. Internal East African flights have apparently been landing at Entebbe carrying enough fuel to return.

In London the defence and overseas policy Cabinet committee met in the afternoon and is believed to have discussed arms to Kenya.

Army reaction to the economic problems in Uganda could bring about President Amin's downfall, Dr. Muganyizi Walyaki, Kenya's Foreign Minister, said in New York last night.

As economic conditions worsened, food shortages would set in, and the army would take action. "The people who will stay Amin will be his own soldiers."

Kenya had no quarrel with the Ugandan people, and had supplied Uganda with goods even when that country could not pay for them. But the cost of unpaid for goods, and the nationalisation of Kenyan companies, which had not received any compensation, now amounted to 367m. Kenyan shillings—too much for a small country like his own to bear.

## Big lead

Meanwhile, the latest nationwide Harris poll, which gives Mr. Reagan a remarkable lead of 40 per cent. over both Mr. Ford and Mr. Carter, gives some indication of how uphill the Republican struggle may be this autumn.

## Continued from Page 1 Union leaders

The Tribunes are reserving their position on their voting intentions in next week's debate on the cuts until they have seen the terms of the Government's motion.

Six hard-liners have indicated that they will not support the Government under any circumstances. Although 30 more MPs might join them.

The Government are certain to frame their motion so as to ensure that the Tribunes, the Conservatives and the minority parties do not end up in the lobbies together.

## Weather

U.K. TO-DAY  
SUNNY spells, some cloud or rain.  
London, S.E., E., N.E. England, E. Anglia  
Cloud, bright intervals, scattered showers. Temps near normal. Max. 22C (72F).  
Midlands, Channel Is., S. Wales, Borders, Edinburgh, Glasgow  
Cloud, bright intervals, scattered showers. Temps near normal. Max. 22C (72F).  
Rest of Scotland, N. Ireland  
Cloudy, some rain. Fog near coasts. Near normal. Max. 19C (66F).  
Outlook: Mostly dry with sunny intervals. Some rain in N. and E.  
Lighting-up: London 21.38, Manchester 21.46, Glasgow 22.06, Belfast 22.05.

## BUSINESS CENTRES

	Y-day	Mid-day	Y-day	Mid-day
Alexandria	20	24	Madrid	23
Amman	20	24	Moscow	23
Athens	20	24	Mumbai	23
Bahia	20	24	Nairobi	23
Bombay	20	24	Paris	23
Buenos Aires	20	24	Rangoon	23
Calcutta	20	24	San Francisco	23
Cairo	20	24	Singapore	23
Cardiff	20	24	Tokyo	23
Cebu	20	24	Yokohama	23
Colon	20	24		
Dublin	20	24		
Edinburgh	20	24		
Frankfurt	20	24		
Glasgow	20	24		
Helsinki	20	24		
Hong Kong	20	24		
London	20	24		
Lyons	20	24		
Manila	20	24		
Medan	20	24		
Perth	20	24		
Rangoon	20	24		
Seoul	20	24		
Singapore	20	24		
Tokyo	20	24		
Yokohama	20	24		

## Vickers directors had secret discussions about Kearney

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TWO DIRECTORS of the Vickers engineering group made a hurried secret visit to the Renault company in France for discussions about the State-owned U.K. machine tool concern Kearney and Trecker Marwin, the High Court was told yesterday.

But any suggestion that Vickers attempted to "sabotage or torpedo" a possible bid by Renault for KTM was "irresponsible," said Mr. Brian Dillon, QC, counsel for Vickers.

The court was considering a scheme which would provide new capital for KTM and transfer ownership from the U.K. Government to Vickers.

The scheme is opposed by W. E. Norton, the machine tool merchanting company. The court heard an affidavit from Mr. Walter Norton, its chairman, in which he said that apart from Renault the Swiss group Oerlikon-Bührle had shown serious interest in KTM.

Three senior executives from Renault—which has big machine tool operations as well as its motor business—were ready to look over the KTM plant at Brighton on July 20, Mr. Norton said.

But after the flying visit by the two Vickers directors—Mr. Jim Hendin, chairman of the engineering division, and Mr. Bill Foreman, the finance director—Renault said it would only go ahead if the U.K. Department of Industry invited it to do so.

Mr. Foreman said in evidence the purpose of the trip to Renault "was to see if they were aware of the financial situation (of KTM) and of the advanced stage of the scheme of arrangement—it was not to dissuade them from coming."

Mr. Norton said in his affidavit: "I remain convinced that if the availability of KTM was widely known there would be interest from many companies both from overseas and the U.K."

Mr. Norton, who is seeking better terms for the KTM shares than those proposed under the scheme, said various major contracts which KTM could reasonably expect might quickly push its profits up to £25m. a year.

It was also suggested that KTM's £7.7m. of tax losses could be carried forward and represented as an "asset" worth £700,000.

Mr. Dillon said Norton provided money in a previous financial rescue operation for KTM. "That money was lost. We do not think that the lost capital should be recouped—or Norton provided with equity—if new money enables the company to prosper."

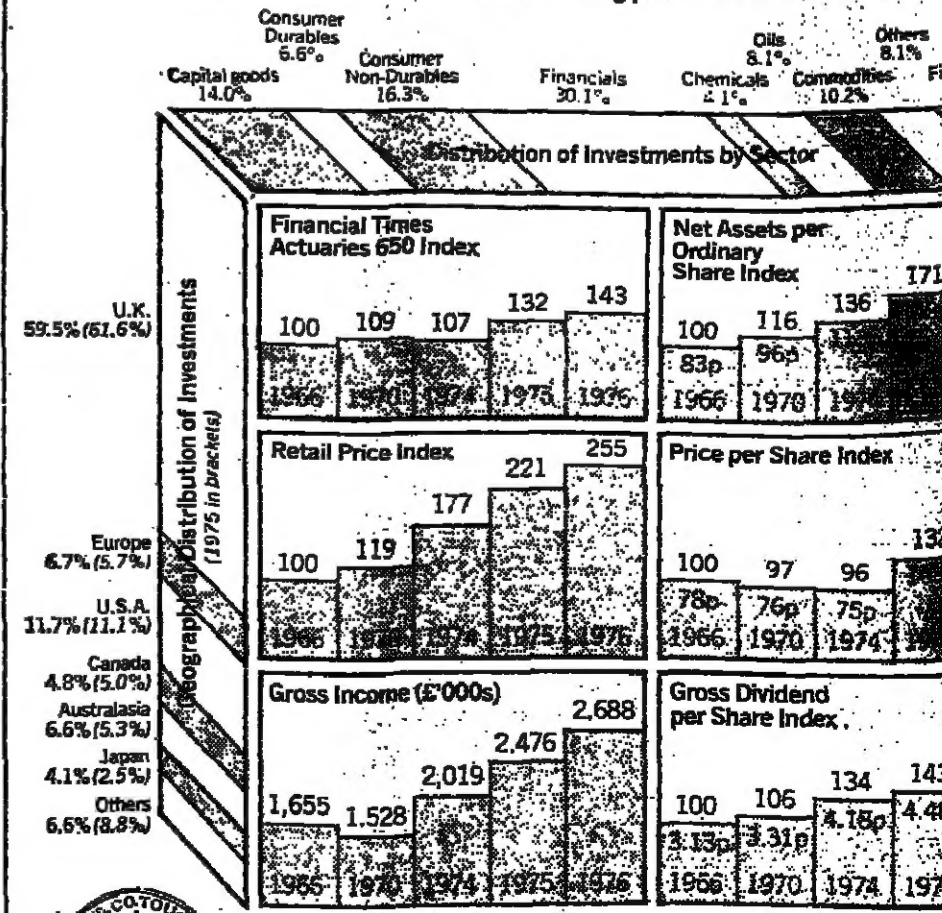
There are no future trading prospects without the substantial injection of new capital.

Any possible new bid for KTM would inevitably take months to investigate and to formulate. "There is very little prospect of another company coming up with a scheme more favourable to the ordinary shareholders," Mr. Dillon said.

The hearing continues to-day.

## The Trustees Corporation Limited.

Total assets at 31st May, 1976: £52.6 mill



A member of the Touche, Remnant Group of Companies  
Total funds under Group Management exceed £600 million  
The Report & Accounts can be obtained from The Trustees Corporation  
Winchester House, 77 London Wall, London EC2M 1BB